CBC/RADIO-CANADA

CORPORATE PLAN SUMMARY

2014-2015 TO 2018-2019

CBC Radio-Canada

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Note Regarding Forward-Looking Statements

The Corporate Plan Summary contains forward-looking statements regarding objectives, strategic initiatives and expected financial and operational results. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget; the funding received from the Local Programming Improvement Fund (LPIF) will be phased out by August 31, 2014 and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Management* section of this report. However, some risks and uncertainties are by definition difficult to predict and beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

1 Message from the President and CEO

Change, then more change. This is the reality in Canada's media environment, a reality that is profoundly affecting all broadcasters, including the national public broadcaster. That's why on June 26, we unveiled *A space for us all*, the strategy that will position CBC/Radio-Canada for the future that awaits us in 2020 and beyond, and transform the Corporation from the traditional to the modern. It's a plan that will help us create more intense one-to-one relationships with our audiences through high-impact, relevant and distinctly Canadian content offered through modern distribution methods, with an emphasis on digital/mobile services. And we will support these priority areas by developing a sustainable financial model that will ensure a strong national public broadcaster for generations to come.

A space for us all builds on the successes of *2015: Everyone, Every way,* which is now in its final year. Launched in 2010–11, this plan committed us to becoming: (1) more distinctly Canadian by increasing Canadian content in our network programming, particularly in prime time, and creating national public spaces in which Canadians can exchange views and ideas; (2) more regional by increasing our presence in Canada's regions and creating new community spaces; and (3) more digital by investing in new platforms and digital spaces. While we have made great progress on these priorities, our financial challenges are such that we need now to adjust our way forward.

Progress on *Strategy 2015*

More Canadian

CBC/Radio-Canada's television services are the home of Canadian content, with Canadian programming accounting for 86 per cent of CBC Television and 91 per cent of ICI Radio-Canada Télé's respective prime time schedules in 2012–13. In contrast, Canadian programs accounted for only 26 per cent of the prime time schedule of Canada's largest private Canadian English-language television broadcaster and 62 per cent of the prime time schedule of the largest private Canadian French-language broadcaster[1].

CBC/Radio-Canada also brings Canadians together through our four national radio services: CBC Radio One, ICI Radio-Canada Première, CBC Radio 2, and ICI Musique. Our radio services offer a wide range of high quality Canadian programming that continues to attract audiences in large numbers. CBC Radio captured a 15.5 per cent audience share, a record high fall season share, exceeding fall 2012's 15.3 per cent[2]. The combined share of ICI Radio-Canada Première and ICI Musique was 21.4 per cent, up 1.5 share points from fall 2012 and its highest-ever share as well[3].

In addition, since 2011, we have broadcast dozens of events of national importance and significant meaning to Canadians, including the 2014 Olympic Winter Games in Sochi, Russia; the 2014 FIFA World Cup in Brazil; and events such as the *Prix des lecteurs Radio-Canada* and annual Canada Day celebrations. These signature events were delivered on multiple platforms to unprecedented numbers of Canadians.

More Regional

Initiatives to increase our regional presence are paying off as well. Since the launch of *Strategy 2015* in 2010–11, the average audience to ICI Radio-Canada Télé's regional news program, *Téléjournal 18 h*, has increased from an average audience of 317,000 persons/week in 2010–11 to 347,000 persons/week in 2012–13[4], while the hours tuned to the regional supper hour and late-night news programs on CBC Television have increased from 3.1 million hours/week in 2010–11 to 3.7 million hours/week in 2012–13[5]. While we will continue to provide services on traditional media such as television and radio, we will also take advantage of various service delivery models to adapt to the changing consumption habits of our audience.

Visits to our regional web pages have also increased. For ICI Radio-Canada.ca, monthly usage has climbed from 447,000 persons in 2010–11 to 646,000 persons in 2012–13[6]. And almost one million Canadians now visit the regional home pages of CBC.ca each month[7].

More Digital

Our continued investment in new platforms and digital spaces is ensuring that our content is available whenever and wherever Canadians want it.

Our digital space now features web documentaries (*Jazz petite Bourgogne* on ICI Musique.ca), youth content, second-screen applications (*Dans l'oeil du dragon, Heartland,* and *2014 FIFA World Cup*), digital books and, of course, our online music services, CBC Music and ICI Musique.ca. Since the launch of *Strategy 2015*, usage of CBC/Radio-Canada's English and French websites has increased by 12 and 15 per cent, respectively[8]. Each month throughout 2012–13, some eight million Canadians visited either CBC or ICI Radio-Canada sites[9].

In 2014, CBC/Radio-Canada helped change the way Canadians consume Olympic content through expansive digital offerings that resulted in the largest-ever digital audience for Canadian coverage of the Olympic Games. An unprecedented 10.7 million Canadians watched Olympic content via online streams on the CBC and/or Radio-Canada sites throughout Sochi 2014, and they consumed about 14 million hours of online video content. More than 2.5 million people downloaded our Olympics app.

Looking Forward

A New Approach to Sports Coverage

In November 2013, the National Hockey League (NHL) chose Rogers as the exclusive rights holder for NHL hockey until 2027. While this was not the outcome the public broadcaster was hoping for, we realized we needed to quickly change our perspective. We looked at how the public interest could be served by collaborating with Rogers to preserve *Hockey Night in Canada*, which, for generations, has been the gathering point of the nation on Saturday nights.

We wanted to protect our access to this essential component of Canadian identity and retain our production team, which allows us to keep our commitments in other areas, from sports to news to music. And, by those standards, we succeeded.

For the next four years, CBC will retain *Hockey Night in Canada* on Saturday nights as well as coverage of the playoffs, including the Stanley Cup Final series.

This partnership is another step in redefining how a modern public broadcaster fulfills its obligations to Canadians. To continue to tell Canada's stories and to showcase Canadian musicians, artists, performers and athletes, we need to partner with other media players. Canadians saw this in action during the Sochi Olympic Winter Games in February 2014. By partnering with four companies, we were able to offer Canadians the most extensive coverage and widest access ever for the Olympic Games. We and our partners brought Canadians closer to their athletes and closer to the Games than ever before.

And more than 33 million Canadians – 97 per cent of the population – responded by tuning in to watch our coverage from Sochi.

Going forward, it is our intention to continue to provide multiplatform sports journalism and when financially possible, to showcase exciting, engaging and nation-building sporting events such as the Olympic Games.

Addressing Our Financial Challenges

In response to the March 2012 Federal Budget, we developed a three-year financial plan to protect our *Strategy 2015* priorities in the face of financial pressures of more than $200 million over three years. The plan had two objectives: maintain our capacity to fulfill our mandate under the *Broadcasting Act* and continue to drive *Strategy 2015*.

Due to market realities, the Corporation also had to make difficult decisions to balance its 2014–15 budget and announced cuts of $130 million, as well as the elimination of the equivalent of 657 positions over the next two fiscal years. We must take action now to match our services and our footprint to an uncertain financial environment, a constantly changing media landscape, and expanding expectations from Canadians.

Our new strategy, *A space for us all*, sets out to modernize the Corporation and convert bricks and mortar into focused investments in content and services. To be financially sustainable, and continue to meet the changing needs of the audience, the Corporation must undergo a fundamental transformation. In addition to other measures, by 2020, the Corporation will have reduced its real-estate footprint by half, and it will have 1,000 to 1,500 fewer employees. This is over and above the reductions announced in the 2014–15 budget.

A space for us all

Change is an opportunity to renew our relationship with Canadians in new ways. We offer more services on more platforms than ever before and, with *Strategy 2015*, we have become more Canadian, more regional, and more digital. All this, despite decreasing public funding and a more challenging advertising market.

Now, with the launch of our new strategy, *A space for us all*, we have set a course to ensure our long-term future. It's the start of a fundamental transformation to reimagine the public broadcaster. The strategy aims to better position the public broadcaster to meet the fundamental shifts that are transforming the media universe, and consequently how it connects with Canadians. It is a promise by CBC/Radio-Canada to intensify and deepen its one-on-one relationship with individual Canadians; work in partnership with the creative community to communicate the breadth and depth of Canada's reality; and set the Corporation on a clear course to long-term financial sustainability. Our vision is that by 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.

In order to better measure success, the Corporation has established two key targets:

- By 2020, the public broadcaster will have doubled its digital reach. 18 million Canadians, one out of two, will use CBC/Radio-Canada's digital services each month[10].
- By 2020, three out of four Canadians will answer that CBC or Radio-Canada is very important to them personally[11].

[1] Source: Numeris (BBM Canada), 2012–13 Broadcast year.

[2] Source: Numeris (BBM Canada), diary (fall 2013), persons aged 12 years and older. Areas in which a CBC Radio owned station is located.

[3] Source: Numeris (BBM Canada), diary (fall 2013 and spring 2014), persons aged 12 years and older. Areas in which a Radio-Canada Radio owned station is located.

[4] Source: Numeris (BBM Canada), Personal People Meter (PPM), persons aged 2 years and older, regular season 2013–14, Monday to Friday (6pm to 6:30pm).

[5] Source: Numeris (BBM Canada), Personal People Meter (PPM), persons aged 2 years and older, regular season 2013–14, Monday to Friday, Supper & Late-Night News.

[6] Source: comScore, fiscal year (April to March), persons aged 2 years and older.

[7] *Ibid.*

[8] *Ibid.*

[9] *Ibid.*

[10] In 2013–14, all of CBC/Radio-Canada's services together reach 87% of Canadians monthly. However, the number of unique visitors to its digital offering in the same year was 8.7 million, 7.1 million for CBC and 2.0 million for Radio-Canada.

[11] In a national survey with a representative sample, 75% of respondents will reply 8, 9 or 10 on a 10-point scale to the question, "Is CBC or Radio-Canada important to you personally?" In 2013–14, the total positive score (6 to 10 on a 10-point scale) was 76%, however 57% replied 8, 9 or 10.

2 CBC/Radio-Canada's Commitment to Transparency and Accountability

As the national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. To meet our responsibilities, we provide wide access on our corporate website to information about our activities and the way we manage our public resources.

HR COMPLIANCE

- Review on Implementation of Section 41 of the *Official Languages Act* to Canadian Heritage
- Annual Review on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
- Annual Report on Employment Equity to Employment and Social Development Canada (ESDC)
- Annual Report on Multiculturalism to Citizenship and Immigration Canada

CORPORATE REPORTS

- Corporate Plan and Corporate Plan Summary
- Annual Report
- CBC Pension Annual Report
- Public Accounts of Canada
- Semi-Annual Report Card
- Environmental Performance Reports
- Reports on the implementation of the *Access to Information Act* and of the *Privacy Act* (two separate reports), and on any disclosure of wrongdoings (under the *Public Servants Disclosure Protection Act*)

RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

POLICIES AND PRACTICES

- Journalistic standards and practices
- Code of conduct

TRANSPARENCY & ACCOUNTABILITY BULLETIN

APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

PROACTIVE DISCLOSURE

- Proactive Disclosure web pages (including posting of travel and hospitality expenses of the Chair and Executives, and Board meeting documents)

OMBUDSMEN REPORTS

- Board must respond to Ombudsmen Reports and table responses with CRTC

ANNUAL PUBLIC MEETING

REPORTING TO THE CRTC

- Periodic licence renewals
- Annual reporting to the CRTC covering:
  - Each of the Corporation's licenced radio, television and specialty services
  - Audit reports for all of the Corporation's television stations eligible for the Local Programming Improvement Fund (LPIF)
  - New media reporting requirements

OFFICE OF THE AUDITOR GENERAL (OAG)

- Annual OAG Attest Audit

3 CBC/Radio-Canada Services

CBC/Radio-Canada delivers a comprehensive range of radio, television, Internet, mobile, and satellite-based services, and is focused on developing and growing new platforms to give Canadians' better access to our content. Deeply rooted in the regions, we are the only national broadcaster to offer diverse regional and cultural content in English, French and eight Aboriginal languages (*Dene Suline, Tlicho (Dogrib), North Slavey, South Slavey, Gwich'in, Inuvialuktun, Inuktitut,* and *Cree*), as well as five languages (*French, English, Spanish, Mandarin,* and *Arabic*) for international audiences. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for, and about Canadians, wherever and however they want it. We have 32 services, as follows:

Television

ICI Radio-Canada Télé

News, entertainment, drama, public interest programs, galas ... ICI Radio-Canada Télé offers unique and high-quality programming. Thanks to our commitment to constant innovation and creativity, our reach has expanded to all regions of Quebec and to the rest of Canada.

ICI RDI

ICI RDI is French Canada's top continuous news source. Viewers turn to ICI RDI to see, hear and understand the latest news stories happening at home and abroad.

ICI artv

ICI ARTV offers a broad range of high-quality cultural content. Our viewers include arts enthusiasts, as well as fans of popular television programs.

ICI EXPLORA

ICI EXPLORA, Radio-Canada's new specialized French-language station, brings together the best content on science, the environment, nature and health.

CBC Television

Canada's leading 24-hour English-language television network of ground-breaking news, information, sports, and entertainment programming, produced by, for and about Canadians, for more than 55 years.

CBC News Network

CBC News Network is Canada's number one news network, anchored by leading Canadian journalists. It is the destination for breaking news, live event coverage, in-depth news and current affairs programming, 24 hours a day, seven days a week.

documentary

Provocative and compelling, *documentary* is the première English-language television channel, available by subscription, delivering the best in Canadian and international docs, films and series – 24 hours a day.

CBC Radio-Canada

CBC News Express / RDI Express

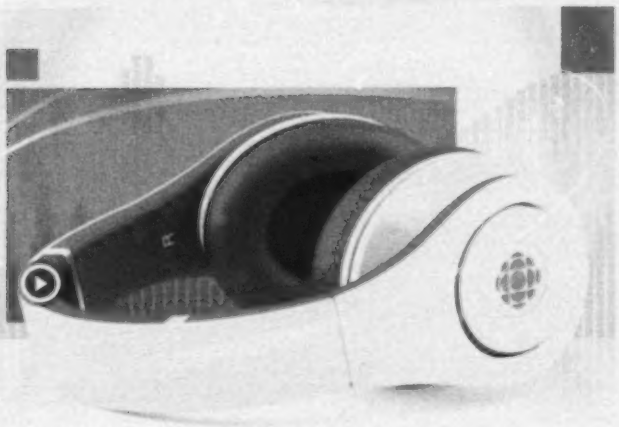
A bilingual news and information service that is available in five large Canadian airports, to serve over 62 million travellers annually.

TV5MONDE

TV5MONDE

The première, worldwide, French-language television network, TV5MONDE encompasses 10 broadcast partners across the globe and creates a space dedicated to public expression. It airs programming that increases awareness of the diversity of cultures and points of view.

Radio



ICI RADIO-CANADA PREMIÈRE

ICI Radio-Canada Première

From one end of the country to the other, ICI Radio-Canada Première is Canada's commercial-free French-language radio network. ICI Radio-Canada Première aspires to be bold, inquisitive and people-oriented – an innovative radio service that promotes thoughtful discussion, a marketplace of ideas, listening pleasure, and a diversity of voices. It provides a wide range of programming, with news, current affairs, the arts, and social issues taking centre stage. Engaged in its environment while being open to the world, ICI Radio-Canada Première enlightens and entertains. Also available via SiriusXM Channel 170.

ICI MUSIQUE

ICI Musique

ICI Musique airs a predominantly Canadian lineup of music and cultural programming that aims to connect with listeners, to be a musical companion in tune with their daily lives. Dynamic hosts present a variety of musical genres, from classical, jazz and vocal, to world and new music.

ICI MUSIQUE CHANSONS

ICI Musique Chansons

100% French-language vocal music channel, playing the top Quebec and Francophone artists from around the world via SiriusXM Channel 163.

ICI MUSIQUE FRANCO COUNTRY

ICI Musique Franco Country

100% Canadian French-language country/folk music. Listen to the biggest country hits, plus emerging artists from the new country/folk scene via SiriusXM Channel 166.

CBC RADIO ONE

CBC Radio One

Canada's English-language information service to which the country turns for local, national and international news, available on radio and SiriusXM Channel 169. Commercial-free and reflecting the true lives of Canadians.

CBC RADIO 2

CBC Radio 2

Music, music, music – a music mix you won't hear anywhere else! Listen to classical, jazz, world beat, pop and more. It's an English-language network, with music that speaks to all.

CBC RADIO 3

CBC Radio 3

If it's new, you'll find it here. Catch "the next big thing" on this English-language showcase of emerging, commercial-free Canadian music, available online, via podcast, and on SiriusXM Channel 162.

CBC MUSIC SONICA

CBC Music Sonica

CBC Music Sonica features non-stop adult alternative bands from Canada and beyond, combining new rock sounds of today with a sprinkling of Canadian heritage artists, available via SiriusXM Channel 171.

Digital

ICI Radio-Canada.ca

Don't miss a minute of Canada's favourite French-language radio and television content from Radio-Canada – all online. Constantly updated news and information, and unique new media and web features ensure that each visit is dynamic and different.

ICI Musique

ICI Musique, Radio-Canada's music destination, delivers a diverse, dynamic range of musical and editorial content. On the web at ICIMusique.ca, and on mobile, users can enjoy the artists, heard-it-here-firsts, and new experiences that have become the hallmarks of ICI Musique.

ICI TOU.TV

ICI Tou.tv

Canada's leading French-language on-demand web television site, created by Radio-Canada and bringing together 20 national and international producers and broadcasters. A vast choice of television programs, series and variety shows, documentaries and newsmagazines – wherever and whenever viewers want it.

cbc.ca

CBC.ca

One of Canada's most popular and comprehensive English language media websites, with up-to-the-minute news and information; streaming audio and video; sports highlights; web-only interactive features; multimedia archives; and much more.

CBCnews.ca

cbcnews.ca

cbcnews.ca is Canada's home for breaking and in-depth reporting of local, national and international news, offering streaming audio and video, web-only interactive features, and more. It's Canada's meeting place to discuss the stories that matter, wherever you are.

cbcsports.ca

cbcsports.ca

cbcsports.ca provides the latest in Canadian and international breaking news and special reports from the world of sports, as well as access to live streaming of major events including CBC's *Hockey Night in Canada*.

CBCmusic.ca

cbcmusic.ca

CBC Music is Canada's free digital music service. Simple and easy to navigate, CBC Music gives Canadians access to 50 web radio stations, 12 genre-based music communities plus CBC Radio 2 and CBC Radio 3; the most up-to-date music news by Canada's top music journalists; plus hundreds of concerts, playlists and more.

CBCbooks.ca

cbcbooks.ca

cbcbooks.ca features all of CBC's rich literary content across all platforms. It's an online meeting place where literary enthusiasts can find the books they want to read, connect with other readers and keep up on all of CBC's major literary programs, such as *Canada Reads*.

curio.ca

Curio.ca

Curio.ca gives teachers and students streaming access to the best in educational content from CBC and Radio-Canada. You'll find documentaries from television and radio, news reports, archival material, stock shots and more – thousands of programs and resources that you can access with a single subscription!

RCI Radio Canada International

Canadian voices have been extending across the planet since 1945 with this commercial-free international radio service, now broadcasting information and cultural programs in five languages via the Internet.

Others

CBC Mobile Productions / Productions mobiles de Radio-Canada

Provides services for in-house production and generates programming revenue by selling to the third-party market.

CBC Shop / Boutique Radio-Canada

This online shop sells CBC/Radio-Canada audio and audio/visual recordings of programs, as well as related merchandise.

CBC North

Bringing together the diverse communities that make up Canada's vast North, CBC North broadcasts award-winning radio and television services in English, French and eight Aboriginal languages.

CBC/Radio-Canada Olympics

CBC/Radio-Canada is proud to have been awarded the rights as official broadcaster of the Olympic Games. In addition to upholding the tradition of top-tier Olympic broadcasting, there will be added emphasis on entertainment and programming across all platforms and genres leading up to Rio 2016.

CBC Kids

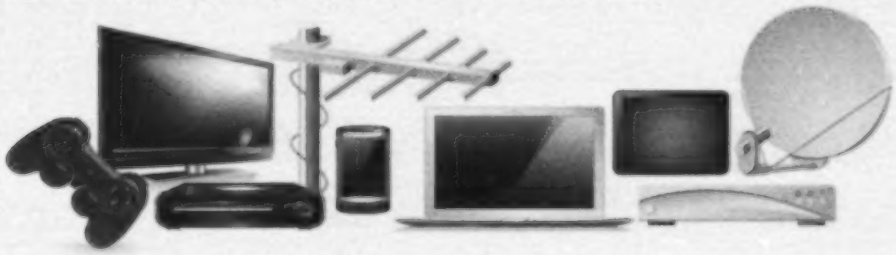
100% commercial-free, safe and entertaining content for children and youth.

We Serve Canadians from Coast, to Coast, to Coast[1]

[1] Map of CBC/Radio Canada Stations (including affiliates), updated August 2014.

4 Our Strategic Context: The Environment in Which We Operate

CBC/Radio-Canada operates television, radio and online media services that are fundamental to the democratic and cultural life of Canadians. At a time when the availability of foreign content is exploding and with unprecedented changes in broadcasting technology, consumer expectations, and industry structure, public broadcasting continues to play an important role in Canada and around the world.



The Canadian Broadcasting System Continues to Evolve

Canada's broadcasting industry is a mixed private/public system comprising two main sectors: content (audio and video) and distribution (telco TV, cable and satellite).

The television sector includes two main types of services – conventional broadcasters and pay/specialty services. Although conventional broadcasters have lost viewing to pay/specialty services over the years, they continue to be the cornerstone of the Canadian broadcasting system, providing the vast majority of original, first-run programming that airs in prime time. Yet, despite playing an essential role, conventional broadcasters are limited to a single source of revenue – advertising. In 2010, the CRTC recognized this limitation and awarded private conventional television broadcasters the right to negotiate with the distributors a fee for the carriage of their signals. However, on December 13, 2012, the Supreme Court of Canada struck down this CRTC decision as a violation of the *Copyright Act*. This means that conventional broadcasters will continue to be dependent on a single source of revenue – advertising – unless the CRTC changes the definition and distribution requirements for conventional TV. Pay/specialty services continue to tap into two sources of revenue, advertising and subscription fees. In numerous proceedings, meanwhile, the CRTC has determined that over-the-top television (OTT) services have not had a sufficiently detrimental impact on traditional television services to warrant regulatory intervention. However, OTT is still growing. Netflix is the largest player and now reaches 24 per cent of Canadians weekly, though mostly in the English market[1].

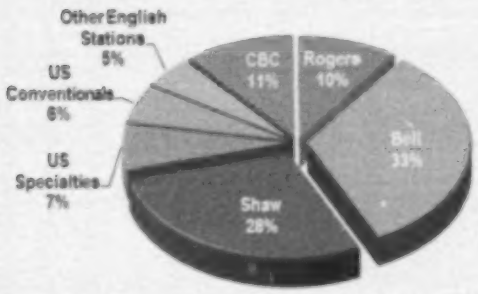
A wave of broadcasting consolidation in recent years has left that industry with a heavily concentrated ownership structure both horizontally and vertically. The private English television market has two dominant broadcasters: Bell Media, which controls CTV, and Shaw Media, which controls Global Television. Both companies also control a large number of specialty television services. With Rogers' efforts to make City the third "national" private English television broadcaster and its $5.2 billion, 12-year deal for NHL hockey rights, a third important competitor is emerging in the English TV broadcasting market.

[1] Source: Media Technology Monitor (spring 2014).

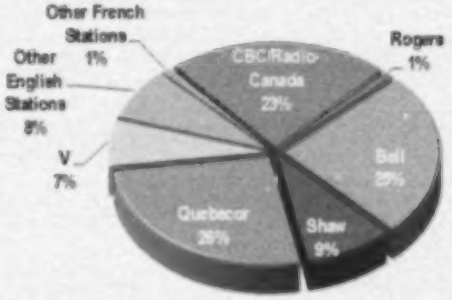
Quebecor dominates virtually all facets of the francophone Quebec media market, including a major role in hockey with its sublicensing deal with Rogers for NHL hockey rights in Quebec. The approval by the CRTC of Bell Media's acquisition of Astral has made Bell the second most important competitor in Quebec with an equal share of prime time viewing as Quebecor.

CBC/Radio-Canada retains a strong presence in the conventional television broadcasting market. In the specialty television market, it operates three widely distributed services (CBC News Network, ICI RDI, and ICI ARTV) and two services with limited distribution (*documentary* and ICI EXPLORA). CBC/Radio-Canada is also the only national broadcaster not integrated with a television distribution company.

Share of Viewing to English TV
Total Canada, Prime Time (7 p.m. – 11 p.m.) [1,2]



Share of Viewing to Quebec Francophones
Total TV, Prime Time (7 p.m. – 11 p.m.) [1,2]



Consolidation also extends to Canada's private radio industry, with a handful of large players – Bell (now including Astral's radio stations), Rogers, Cogeco, and Corus. CBC/Radio-Canada operates Canada's only national radio services, with four networks (two in English and two in French) and 88 local stations.

The largest segment of the broadcasting industry is the distribution sector. According to Mediastats, there are over 11 million residential subscribers to television in Canada (i.e., cable, satellite, and telco TV). As a result, all broadcasters, including CBC/Radio-Canada, are highly dependent on these distributors for carriage of their conventional services and for payment of a fair subscriber rate for the right to carry their specialty services. The distribution sector is also highly concentrated, with five companies (Rogers, Bell, Shaw, Videotron, and Cogeco) accounting for some 90 per cent of all television subscribers. Despite the emergence of over-the-top television alternatives available via the Internet, the television distribution sector remains large and highly profitable.

In addition to dominating traditional broadcasting and distribution, Canada's conglomerates are strongly positioned to shape the future of media in this country. Virtually all of CBC/Radio-Canada's main English and French competitors are owned by companies also heavily involved in telecommunications, both wireline and wireless.

The CRTC has launched an important proceeding called "Let's Talk TV", which will have significant implications on the future of TV in Canada. The proceeding is examining fundamental questions, including pick-and-pay, support for local news, over-the-top TV, fee-for-carriage, genre production for specialties and much more. CBC/Radio-Canada will participate fully in this proceeding.

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[1] Source: CBC/Radio-Canada Research and Analysis (Numeris (BBM Canada), PPM, 2+, 2013–2014 Broadcast Year-to-date (August 26, 2013 – June 8, 2014, excluding Olympic weeks 25–26)).

[2] Note: Shaw includes viewing to Corus stations (includes stations divested as part of BCE's acquisition of Astral in June 2013).

As Canada's Public Broadcaster, CBC/Radio-Canada is Driven to do More

As Canada's national public broadcaster, CBC/Radio-Canada invests substantially more in Canadian content than the largest private sector competitors in both the English and French markets. The result is the prominence of Canadian programming in our schedules and in our spending on Canadian content, including programs of national interest, and our support for independent producers.

SCHEDULE[1]	CBC Television	Top English Private Station	ICI Radio-Canada Télé	Top French Private Station
Canadian Content, Broadcast Day (6am–12am)	93%	60%	84%	68%
Canadian Content, Prime Time (7pm–11pm)	86%	26%	91%	62%

SPENDING	CBC Television	Top English Private Station	ICI Radio-Canada Télé	Top French Private Station
Canadian Content	$408.1M	$190.5M	$288.7M	$120.2M
Programs of National Interest (PNI)	$108.9M	$30.0M	$82.9M	$27.2M
Independent Production	$87.3M	$28.9M	$105.1M	$58.3M
Expenditures on Foreign Content	$16.2M	$315.0M	$7.6M	$16.8M

CBC/Radio-Canada's Primary Challenge is Funding

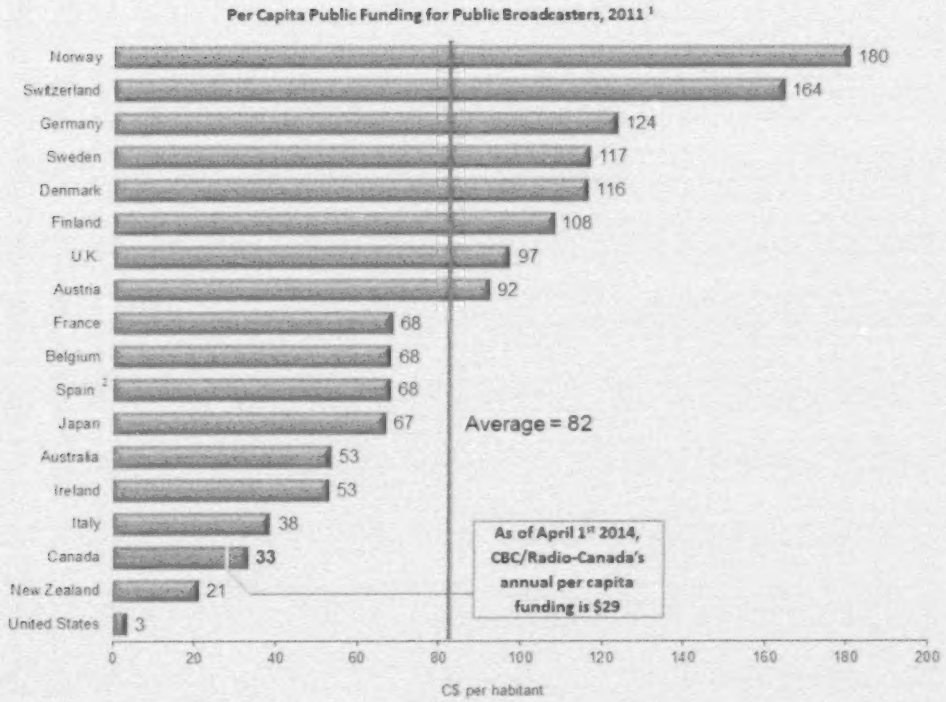
CBC/Radio-Canada strives to serve Canadians and to support Canada's broadcasting industry with the resources available. The Corporation's main funding sources are parliamentary appropriations, advertising and, indirectly, the Canada Media Fund (CMF).

All of these sources are under pressure:

- CBC Television will be affected by the National Hockey League's (NHL) decision to grant rights to Rogers. While the various impacts of this decision will be better understood with time, the 2013–14 Hockey season, including the Playoffs, was the last season that CBC Television received advertising revenues from NHL games.
- The Local Program Improvement Fund (LPIF), which CBC/Radio-Canada relied on for local programming, will be terminated as of the end of the 2013–14 broadcast year. CBC/Radio-Canada received $35 million from this fund in the 2012–13 broadcast year.
- CBC/Radio-Canada saw its parliamentary appropriation reduced by $115 million over three years beginning in the 2012–13 fiscal year (as outlined in the 2012 Federal Budget). The 2014–15 fiscal year represents the third and final year of the reduction.
- With the rise of Internet and fragmentation of content options, broadcast advertising is struggling, and conventional TV ad revenues may be set for declines. Internet advertising is the growth area, but broadcasters are not currently well positioned in Internet advertising: more than 60 per cent of Internet advertising revenue flows to search (e.g., Google) and classifieds (e.g., Craigslist).

Before these recent challenges, CBC/Radio-Canada was already one of the most poorly-funded public broadcasters in the world based on the most recent data from 2011 compiled by Nordicity in their October 2013 report. And, when funding cuts are fully implemented by April 1, 2014, our annual per capita funding will have declined from $33 in 2011 to $29.

[1] Source: Numeris (BBM Canada; Broadcast year 2013) and CRTC (Broadcast year 2012–13).



The Digital Century Demands Innovation

As Canadians adopt emerging platforms and technologies, ensuring that they continue to be able to access our programming is a strategic priority for CBC/Radio-Canada.

Television broadcasting will remain an important way for Canadians to consume media for years to come, just as radio broadcasting has remained an extremely important medium more than 100 years after its inception. However, important shifts have occurred since the turn of the century:

- Despite proclamations about the death of television, Canadians have been watching more television than ever – even excluding online TV viewing.
- Television subscriptions (e.g., cable, satellite, telco TV) have grown and still remain the dominant method of television reception for 11.2 million of Canada's 13.3 million households. However, as the Internet has become an option to watch television, some viewers have dropped their regular television service altogether. In Canada, we estimate that they now represent nearly one-in-ten Canadians.

[1] Source: Nordicity, "Analysis of Government Support for Public Broadcasting and Other Culture in Canada" (October 2013).
[2] Figures for Spain include an estimate for the public broadcasters of the autonomous regions.

- Over four in five Canadians have access to broadband Internet, up from seven per cent in 2000. With wider availability and faster speeds, what Canadians do with the Internet has changed significantly. Three-fifths of Canadians listen to Internet audio services and an even larger percentage (77 per cent) watch Internet video. In fact, 24 per cent of Canadians watch Netflix weekly and a similar level of Francophones watch ICI Tou.tv. Three in ten Canadians consider the Internet as their primary source for news; a massive change from 2000.
- In 2000, mobile phones were just for talking. Today, over three in five Canadians own smartphones, which offer a multitude of communication and media uses. The tablet computer didn't even exist four years ago and now over two in five Canadians own one.

Service/Device[1]	Then (2000)	Now (2013–14)
Weekly TV Viewing Per Capita	22.6 hours	27.3 hours[4]
Residential TV Subscribers	8.8 million households	11.2 million of Canada's 13.3 million households
No Regular TV Service[2]	-	10%
Specialty/Pay TV Share of Total TV Viewing (All day, Persons 2+)	English: 39.7% French: 26.3%	English: 59.9%[4] French: 48.1%[4]
Weekly Radio Listening Per Capita	20.3 hours	16.5 hours
Broadband Penetration	7% of Canadians	85% of Canadians
Internet Video (including Netflix)	-	77% of Canadians watch Internet video for 6.5 hours/week
Netflix	-	24% of Canadians watch Netflix for 7.4 hours/week
Satellite Radio	-	2.4 million subscribers
Internet Audio (streaming or podcasts)	-	61% of Canadians listen to Internet audio for 7.1 hours/week
Smartphones	-	62% of Canadians
Tablets	-	42% of Canadians
Primary Source for News[3]	#1 Television (65%) #4 Internet (7%)	#1 Television (46%) #2 Internet (30%)

All of these changes in media technology and consumer preferences make it clear that the national public broadcaster's programming offer must keep evolving to stay relevant.

Planning for Our Future is Key

In *Strategy 2015: Everyone, Every way*, we committed to being more Canadian, more regional, and more digital. Despite financial setbacks, over the last three years we have met this commitment and modernized Canada's public broadcaster. We are more Canadian across all platforms, we offer improved service and more local presence in 18 communities from Kamloops to Rimouski, and we are more digital, with online offerings like CBC Music/ ICI Musique.ca, and ICI Tou.tv breaking new ground and reaching more diverse audiences.

Now, as we head toward the last year of that plan, it is time to build on its successes, acknowledge some of its weaknesses, take stock of our current situation, and look even further ahead. On June 26 2014, CBC/Radio-Canada announced its new strategic plan entitled *A space for us all*. The new five-year plan will modernize the public broadcasters and bring us closer to the audience, in a way that will ensure the Corporation's financial sustainability.

[1] Source: Numeris (BBM Canada), Mediastats, MTM, PwC and Sirius XM Canada.

[2] No regular television service via a television subscription service (e.g., cable, satellite, telco TV) or free, off-air television.

[3] Anglophones only for the year 2001; Canadians for the year 2013.

[4] 2013–14 Broadcast Year-to-date (Aug 26, 2013 – June 8, 2014, excluding Olympic weeks 25–26).

5 *Strategy 2015: Everyone, Every way*

2014–15 marks the fourth year of the Corporation's strategic plan, *Strategy 2015: Everyone, Every way*.

The plan includes three components:

- CBC/Radio-Canada's vision
- Four guiding principles supporting the vision
- Three strategic thrusts for achieving our objectives

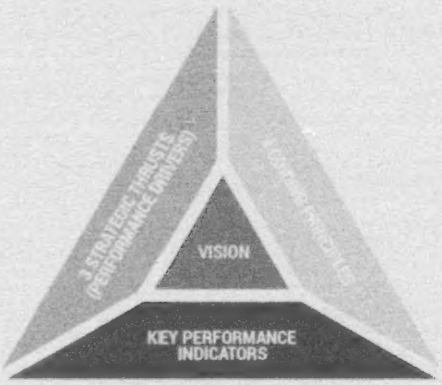
The success of *Strategy 2015* will be measured against key strategic and operational indicators.

VISION:

The vision at the heart of the strategic plan is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians.

THREE STRATEGIC THRUSTS DRIVE OUR PERFORMANCE:

- More Distinctly Canadian: Network programming and national public spaces;
- More Regional: Regional presence and community spaces;
- More Digital: New platforms and digital spaces.



FOUR GUIDING PRINCIPLES SUPPORT OUR VISION:

- The creation and delivery of original, innovative, high-quality Canadian content;
- That reflects and draws together all Canadians;
- Actively engaging audiences;
- While being cost-effective and accountable.

KEY PERFORMANCE INDICATORS

Our key performance indicators (KPI) fall into two categories:

1. *Strategic Indicators* include survey results regarding fulfillment of our mandate and the degree to which our programming adheres to our guiding principles. They also include measures of our Canadian content on television.
2. *Operational Indicators* include measures of audience share, website visitors, subscriber counts and revenue generation for English and French Services.

Progress on the Implementation of *Strategy 2015* Initiatives in 2013–2014

Despite our financial pressures, CBC/Radio-Canada has continued to implement its 2015 objectives of providing all Canadians with more distinctly Canadian programming, more regional programming, and access to content on new platforms.

Initiatives contained in this section are deemed *Completed* when they have or will have been completed by fiscal year-end. Initiatives of a longer-term nature which require two or more years for full implementation are marked as *In Progress* when more time is still required to bring them to completion. These longer-term initiatives may be re-confirmed as applicable to the next year and hence shown again in CBC/Radio-Canada's Plan as 2014–15 Strategic Initiatives to indicate the multi-year nature of their implementation.

Further details of our performance and our progress since the launch of our *Strategy 2015* can be found in the section *Measuring our Performance* on page 35.

French Services' Transformation Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
Brand Positioning	Roll out brand activities most likely to reflect the positioning, while ensuring consistency and flow among the strategy's three pillars: programs, regions, and platforms.	√		
	Increase the flexibility of our programming schedules, as well as the ability of our linear schedules to be dynamic and responsive to events, while encouraging audiences to explore our non-linear offering.	√		
	Reflect the country's regional and cultural diversity on our platforms, in our content, and in our narratives.		√	
Creativity, Collaboration and Agility	Tailor the television, radio, web and mobile offering to users' media consumption habits on the various platforms.	√		
	Maximize collaborative opportunities between Radio-Canada and CBC, no longer within the context of dedicated funds, so as to enrich content with national resonance.	√		
	Step up the transformation of our production methods and associated business models/structures based on multiplatform delivery of our content as well as efficiency and revenue imperatives.	√		
	Actively contribute to the bargaining structure review to help establish an industrial relations environment that is modern, agile, and suited to the public broadcaster's challenges in the 21st century.		√	
	Promote our employees' engagement in pursuing the transformation.		√	
Financial Dynamics	Stay on track to balance the budget by implementing the predetermined actions and adopting agile, tailored strategies if circumstances warrant.	√		
	Actively contribute to the Maison de Radio-Canada (MRC) redevelopment project, taking a visionary approach to Radio-Canada's needs.	√		
	Optimize performance measurements by promoting timely collaboration within the organization, particularly when applying the new regulatory framework.	√		

French Services' Programming Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
National and International News	Accelerate the transformation of the offering and production methods for multiplatform and continuous news by reviewing the editorial approach and setting up a front-line desk.	√		
	Evolve ICI RDI's mission and schedule by making more effective use of live and field reporting.	√		
	Present a diversity of voices in our news programs.		√	
Drama and Entertainment	Maintain balanced, high-quality daytime and evening schedules within the new regulatory framework.	√		
	Explore new interactive formats both on television and emerging platforms.		√	
Music	Implement, in partnership with CBC, the multiplatform music strategy, in keeping with the unique character of each platform, the Radio-Canada brand, and the redefined regulatory framework.		√	
	Prepare the ICI Musique network to accept national advertising.	√		
Talk Radio	Revisit program formats.	√		
	Continue harmonizing the on-air sound and messaging.	√		
Signature Events	Maintain our commitment to broadcasting multiplatform signature events, adjusting our offering in light of budget impacts.	√		
Children's and Youth	Adjust how we develop, produce and acquire children's and youth programs for the 2–8 age group, based on redefined financial and regulatory frameworks.		√	
Sports	Work closely with CBC to roll out Olympic coverage across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	√		
	Continue developing multiplatform news and in-depth reporting.		√	

French Services' Regional Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
Regional Radio	Consolidate the changes to weekday morning shows aimed at putting greater focus on news.		√	
	Make the needs of the various regional audiences central to the mission of drive-home and weekend programs.	√		
Local Programming	Improve the excitement, frequency, and relevance of the digital offering seven days a week.	√		
	Make programming choices that increase the overall audience impact of regional content across all platforms.	√		
Value-Added Programming	Give priority to low-cost, high-impact one-off program production opportunities. Maintain or develop close relationships with producers, based on perceived common interests.		√	
	Increase regional contributions to ICI RDI, ICI ARTV, and other specialty services.	√		
	Finish the Rive Sud/Rive Nord experiment and look at how it might be applied to other underserved regions and territories.	√		

French Services' Digital Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
Web Social Networks Mobility	Make users central to the ICI Radio-Canada.ca experience as part of the strategy for revamping the platform.	√		
	Design and launch ICI Tou.tv 2.0 against the backdrop of an exploding catch-up offering and the development of complementary business models for advertising sales.	√		
	Encourage the development of new forms of digital drama and documentary production.		√	
	Design solutions for social television and radio.	√		
	Consolidate the app and mobile site portfolios, ensuring that they are aligned and consistent.		√	
Specialty Channels	Adapt the regional strategy for specialty channels, given the impact of CRTC decisions on production and access to English-language minority markets for ICI ARTV.		√	
	Enhance the digital experience for specialty channels.	√		
	Build economies of scale for specialty channels.		√	

English Services' Programming Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
News	Prioritize resources to high audience impact programming across all platforms.	√		
	Continue to focus on Enterprise Journalism: invest in impact programming strategies and expand original journalism.	√		
	Grow and innovate in the digital space, in mobile and social media: launch new mobile properties around CBC News programming.	√		
	Build upon regional strengths, including the Local Service Extension.	√		
Scripted (Drama, Comedy, Documentary) and Unscripted (Factual Entertainment)	Continue with the long-term commitment to increasing the availability of Canadian programming.	√		
	Refocus the prime time schedule: optimize spending by concentrating on priorities and key periods.	√		
	Develop and showcase a stable of "favourite", hit titles.		√	
	Prepare CBC for a "demand world" of audience choice.		√	
Sports	Renew *Hockey Night in Canada* property.	√ (The NHL awarded media rights to Rogers; CBC secured a sub-license to telecast hockey)		
	Acquire relevant "Canadian-centric" sports content that fits our Ice and Snow Strategy.			√
	Enhance partnerships on key sports (e.g., NHL, Olympics).		√	
	Olympics: Deliver a powerfully felt nation-building event that will embrace partnerships, cross platforms and be shared in multiple languages. Work closely with Radio-Canada to roll out Olympic coverage across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	√		
Current Affairs/Radio Smart Talk	Maintain record audiences on terrestrial radio while aggressively developing new audiences on digital platforms.	√		
	Target development of select programs – local and network – to share best practices, increase performance and increase relevance.	√		
	Invest in R&D around how audiences will consume audio content in the future.	√		

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
Music	Re-sign or renegotiate key music rights and talent agreements.		√	
	Continue development of CBC Radio 2 programming and schedule to increase audience share and integrate advertising.	√		
	Focus on expanding reach of CBC Music to acquire more audience.	√		
	Continue integration initiatives with French Services where it makes sense.		√	
Signature Events	Continue our commitment to providing audiences with signature events to the extent our financial situation permits, with multiplatform programming experiences.	√		
Diversity and Inclusion	Continue to measure our on-air reflection of diversity through ECHOS (our internally developed measurement system).	√		
	Continue leadership in the development of an Aboriginal Programming strategy.	√		

English Services' Regional Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
Strengthening our Connections	Continue to strengthen our commitment to the best mix of local, regionally representative and cross-regional expression.	√		
Expansion in Current Locations	Add incremental local television service in some markets.	√		
Expansion in New Locations	Complete the implementation for the four traditional stations that were announced: Kamloops (in operation), Kitchener-Waterloo (anticipated launch: March 2013), Saskatoon (planned for 2013–14) and London (potentially for 2013–14).	√ (3 introduced to date as planned; London cancelled)		
	Extend service to Canadians in other locations via a Digital Station model, when resources are available.			√

English Services' Digital Strategies

	Initiatives	Status		
	2013–2014	Completed	In Progress	Postponed
Audience Engagement	Develop enhanced "Discovery and Navigation" experience on all CBC platforms.		√	
	Leverage Olympic Member Centre experience for use in other areas.	√		
Distribution Development	Developing the next generation of Digital Infrastructure.		√	
	Increase distribution of content across mobile devices.	√		
Increased Monetization and Distribution	Increase digital distribution and monetization of CBC content through strategic alliances and partnerships.		√	
Innovation and Workflow	Make digital decisions consistent with our overall content strategies.	√		
	Increase operating efficiencies through improved workflow practices.		√	

2014–2015 Strategic Initiatives

We will continue to focus on achieving the objectives and meeting the priorities of *Strategy 2015*, although we will be pacing the roll-out. Many strategic initiatives at the heart of *Strategy 2015* are longer-term initiatives requiring efforts over several years to achieve their full implementation. 2014–15 initiatives in the areas of Canadian programming, the regions and digital platforms, are shown in the tables following.

French Services' Strategies

In 2014–15, French Services plans to push forward with its *Strategy 2015*, taking into account the adjustments now required by the 2012 Federal Budget and the CRTC's decision to eliminate the Local Programming Improvement Fund (LPIF).

Determined to pursue its multiplatform global strategy, in order to maintain a leadership position in its many markets, Radio-Canada will accelerate its transformation to gain agility and generate efficiencies, keeping audience needs and expectations at the core.

Transformation Strategies	2014–2015 Initiatives	Expected Outcomes
Brand Positioning	Complete the new branding roll-out to reflect the positioning, while ensuring consistency and flow among the strategy's three pillars: programs, regions, and platforms.	The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Continue building on the flexibility of our programming schedules, as well as on the ability of our linear schedules to be dynamic and responsive to events, while encouraging audiences to explore our non-linear offering.	
	Reflect the country's regional and cultural diversity on our platforms, in our content, and in our narratives.	
	Implementation of the Aboriginal programming/digital strategy in collaboration with CBC.	
Creativity, Collaboration and Agility	Tailor the television, radio, web and mobile offering to users' media consumption habits on the various platforms.	
	Building on collaborative relations between Radio-Canada and CBC, maximize opportunities to share best practices, create efficiency, and enrich content of national resonance.	
	In collaboration with CBC, further develop and build Curio.ca, a portal that allows teachers and students to stream the best educational content of CBC and Radio-Canada.	
	Accelerate the transformation of our production methods and associated business models/structures based on multiplatform delivery of our content as well as efficiency and revenue imperatives.	
	Following the Canada Industrial Relations Board's (CIRB) decision, reshape Radio-Canada's bargaining structure to help establish an industrial relations environment that is modern, agile, and suited to the public broadcaster's challenges in the 21st century.	
	Promote our employees' engagement in pursuing the transformation.	
Financial Dynamics	Stay on track to balance the budget by implementing the predetermined actions and adopting agile, tailored strategies if circumstances warrant.	
	Pursue the Maison de Radio-Canada (MRC) redevelopment project with a visionary approach to Radio-Canada's needs and stringent criteria of financial accountability at each step of this long-term project.	
	Optimize performance measurements by promoting timely collaboration within the organization, in particular to capture impacts of transformation initiatives.	

Programming Strategies – French Services

Providing original, predominantly Canadian content and programs that stand out for their quality, innovativeness and relevance for target audiences is the cornerstone of Radio-Canada's multiplatform programming strategy.

Programming Strategies	2014–2015 Initiatives	Expected Outcomes
National and International News	Accelerate the transformation of the multiplatform offering and continuous news through the improvement of processes and production technology.	The delivery of high-quality, innovative and distinctive Canadian programming and content that is relevant to our audiences. The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Evolve ICI RDI's offering to capitalize on most recent successes and maximize audiences' loyalty.	
	With the intent to "Tell the country", present a diversity of voices in our news programs.	
	Promote RCInet so as to develop its usage and influence.	
Drama and Entertainment	Maintain balanced, high-quality, and strategic daytime and evening schedules.	
	Explore new interactive formats both on television and emerging platforms.	
Music	In partnership with CBC, evolve the multiplatform music strategy, in keeping with the unique character of platforms, brands and markets.	
	Optimize advertising on the ICI Musique network.	
Talk Radio	Revisit program formats.	
	Continue harmonizing the on-air sound and messaging.	
Signature Events	Continue our commitment to providing audiences with Signature Events that offer some legacy impact, cultural significance, nation building or nation sharing for CBC/Radio-Canada on a multiplatform basis, while adjusting our offering in light of budget impacts.	
Children's and Youth	Adjust how we develop, produce and acquire children's and youth programs for the 2–8 age group, based on redefined financial frameworks.	
Sports	Work closely with CBC on the FIFA World Cup in 2014–15, and prepare for future Olympics (2016 Rio de Janeiro) and other major events coverage (e.g., the Toronto 2015 Pan Am Games) across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	
	Continue developing multiplatform news and in-depth reporting.	

Regional Strategies – French Services

Giving priority to local programming and innovation, Radio-Canada will continue to forge close ties with communities across the country.

Regional Strategies	2014–2015 Initiatives	Expected Outcomes
Regional Radio	Consolidate the changes to weekday morning shows aimed at putting greater focus on news.	A presence at the heart of communities across the country and the establishment of links among francophones that reflect their diversity, interests, and culture. The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Keep the needs of the various regional audiences central to the mission of programs, with a focus on week-end programming.	
Local Programming	Improve the nimbleness, frequency, and relevance of the offering on all platforms, seven days a week, to build a compelling and relevant presence with audiences, from "Hello to Good night".	
	Make programming choices that increase the overall audience impact of regional content across all platforms.	
Value-Added Programming	Give priority to low-cost, high-impact one-off program production opportunities. Maintain or develop relationships with producers, and stakeholders.	
	Increase regional contributions to ICI RDI, ICI ARTV, and other specialty services. Enhance the flow of content between the network and the regions.	
	Integrate the Rive Sud/Rive Nord experiment into the overall multiplatform news offering to leverage journalism practices and methods, and enhance Radio-Canada's connectivity with communities, including that of the Greater Montreal area.	

Digital Strategies – French Services

Radio-Canada intends to develop and adapt its digital offering so that all Canadians can experience content in a way that is enriching, innovative, interactive and personalized.

Digital Strategies	2014–2015 Initiatives	Expected Outcomes
Web Social Networks Mobile	Keep users central to the ICI Radio-Canada.ca experience.	Digital content that meets the needs of Canadians, allows them to exchange ideas, and is personalized, enriching, entertaining, and innovative. The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Launch renewed ICI Tou.tv and premium service EXTRA against the backdrop of an exploding catch-up offering and the development of complementary business models.	
	Encourage the development of new forms of digital drama and documentary production.	
	Design solutions for social television and radio.	
	Consolidate the app and mobile site portfolios, ensuring that they are aligned and consistent while staying responsive to audiences' changing consumption habits and financial challenges.	
Specialty Channels	Adapt the regional strategy for specialty channels, given the impact of CRTC decisions on production and access to markets.	
	Enhance the digital experience for specialty channels.	
	Build economies of scale for specialty channels.	

English Services' Strategies

2014–15 will be a year of change for English Services – one which will build upon past successes while at the same time adjusting to new realities. English Services will focus resources on fewer key brands and properties, redefining our brand against these key properties. We will begin to shift our programming direction to even more culturally distinctive and uniquely Canadian stories and content, of even higher quality and boldness of vision, while adapting to commercial realities and new regulatory requirements.

However, *Strategy 2015* continues to be the driving force of our decisions and expected outcomes, as we deliver against this vision.

Programming Strategies – English Services

Differentiation from what other broadcasters offer with a continued focus on uniquely Canadian stories are at the core of English Services' programming strategies.

Programming Strategies	2014–2015 Initiatives	Expected Outcomes
News	Enhance audience experience through better story selection, original journalism and stronger breaking news coverage.	Quality journalistic coverage that is credible and balanced. Increase Canadian content available to and used by audiences, where and when they want it, where it makes sense. Canadian entertainment and documentary programming that reflects our national identity through the telling of Canadian stories. Programming and coverage that reflects and represents the cultural and regional diversity of modern Canadian society. Make decisions to minimize costs and drive revenue.
	Extend on-air personalities across properties/platforms to increase visibility and productivity.	
	Emphasize digital, mobile and social media.	
Television Entertainment – Scripted (Drama, Comedy, Children, Documentary) and Unscripted (Factual Entertainment)	Continue to evolve drama, comedy and factual entertainment programming to be distinctly and uniquely Canadian.	
	Continue to make and commission compelling documentaries of the highest quality for use across all CBC Services.	
	Design and implement a comprehensive multiplatform strategy for Kids including consideration of digital components.	
Sports	Celebrate major sports events in 2014–15 such as the FIFA World Cup and engage in long-term preparations for future Toronto 2015 Pan Am and 2016 Rio Summer Olympic games.	
	Concentrate on great storytelling with an emphasis on Stars & Stories.	
	Adapt and adjust the Sports strategy and operations following the NHL media rights decision of November 2013.	
	Work closely with Radio-Canada on the FIFA World Cup in 2014–15, and prepare for future Olympics (2016 Rio de Janeiro) and other major events coverage (e.g., the Toronto 2015 Pan Am Games) across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	
Audio and Radio: Talk	Maintain record audiences on terrestrial radio while serving new audiences on digital platforms.	
	Targeted development of select programs – local and network – to share best practices, increase performance, and increase relevance.	
	Evolve current studio facilities and studio production workflow.	
Audio and Radio: Music	Re-sign or renegotiate key music rights and talent agreements to support programming needs.	
	Ongoing development of CBC Radio 2 programming and schedule to increase audience share and integrate advertising effectively.	
	In partnership with Radio-Canada, evolve the multiplatform music strategy, in keeping with the unique character of platforms, brands, and markets.	
Signature Events	Continue our commitment to providing audiences with Signature Events that offer some legacy impact, cultural significance, nation building or nation sharing for CBC/Radio-Canada on a multiplatform basis, while adjusting our offering in light of budget impacts.	
Diversity and Inclusion	Continue to measure our on-air reflection of diversity.	
	Implementation of the Aboriginal Programming/Digital strategy in collaboration with Radio-Canada.	

Regional Strategies – English Services

CBC will build upon the initiatives implemented and announced to better meet the regional needs of Canadians. This includes ensuring regional reflection on our networks and strengthening regional connection in the communities we serve.

Regional Strategies	2014–2015 Initiatives	Expected Outcomes
Strengthening our connections	Continue to strengthen our commitment to offer the best mix of local, regionally representative and cross-regional expression on both our local and network programming.	Strengthen regional connection in communities currently served. Expand service to communities currently un-served with local content. Increase Canadian content available to and used by audiences, where and when they want it, where it makes sense. Make decisions to minimize costs and drive revenue.
Expansion in Current Locations	No new initiatives in 2014–15.	
Expansion in New Locations	No new initiatives in 2014–15. Future plans are cancelled.	

Digital Strategies – English Services

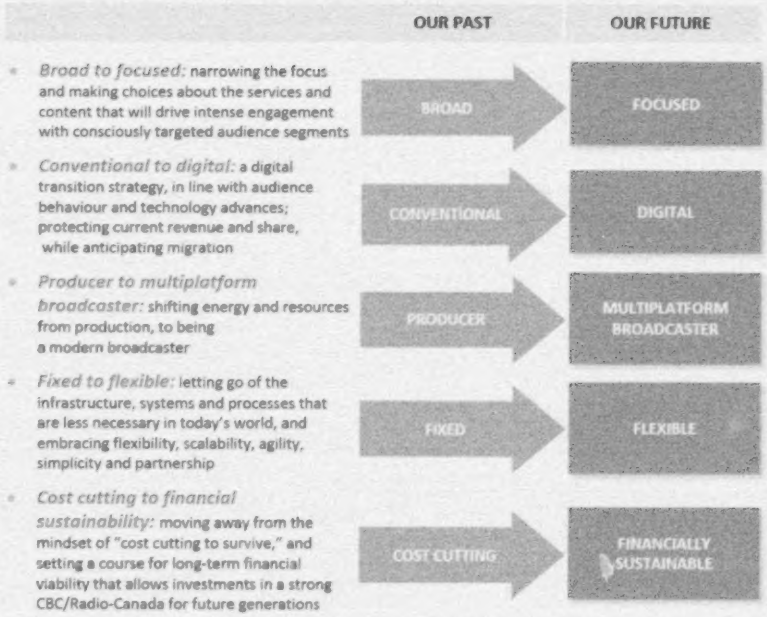
To reach our goal of ensuring that our content is available whenever and wherever Canadians want it, we will invest in new technologies ensuring an appropriate level of support for the programming offered on all platforms. We will increase digital audience use, reach and growth. We will increase digital distribution and monetization of CBC content through strategic alliances and partnerships.

Digital Strategies	2014–2015 Initiatives	Expected Outcomes
Entertainment	Utilize digital platforms to attract and retain audiences to CBC content.	Increase Canadian content available to and used by audiences, where and when they want it, where it makes sense. The delivery of high-quality, innovative and distinctive Canadian programming and content that is relevant to our audiences. Make decisions to minimize costs and drive revenue.
	Explore digital role for Kids programming.	
	Further develop and build Curio.ca, a portal that allows teachers and students to stream the best educational content of CBC and Radio-Canada.	
News	Invest in high priority areas (investigative, social, etc.).	
	Create a tiered regional structure.	
Talk	Further develop and expand CBC Books' digital offer.	
	Implement a digital strategy for talk content.	
Music	Focus on CBC Music for mobile and connected devices.	
	Explore non-advertising based revenue streams for music content (content distribution, licensing, merchandising, etc.).	

6 *A space for us all*

On June 26, 2014, CBC/Radio-Canada unveiled its new strategy *A space for us all* which will set the course towards 2020 and beyond.

While building on the success of *Strategy 2015: Everyone, Every way* – in which, CBC/Radio-Canada committed to and successfully became more Canadian, more regional and more digital – *A space for us all* is about modernizing the public broadcaster, to bring it closer to Canadians and audiences. The goal is to be relevant; to engage Canadians intensely on a one-to-one basis, while modernizing ways of working and ensuring long-term financial sustainability. It is a challenging and complex transition from our past to our future.


OUR PAST
OUR FUTURE
Broad to focused: narrowing the focus and making choices about the services and content that will drive intense engagement with consciously targeted audience segments
BROAD
FOCUSED
Conventional to digital: a digital transition strategy, in line with audience behaviour and technology advances; protecting current revenue and share, while anticipating migration
CONVENTIONAL
DIGITAL
Producer to multiplatform broadcaster: shifting energy and resources from production, to being a modern broadcaster
PRODUCER
MULTIPLATFORM BROADCASTER
Fixed to flexible: letting go of the infrastructure, systems and processes that are less necessary in today's world, and embracing flexibility, scalability, agility, simplicity and partnership
FIXED
FLEXIBLE
Cost cutting to financial sustainability: moving away from the mindset of "cost cutting to survive," and setting a course for long-term financial viability that allows investments in a strong CBC/Radio-Canada for future generations
COST CUTTING
FINANCIALLY SUSTAINABLE

Our Raison d'Être and Directions

While remaining grounded in the objectives of the 1991 *Broadcasting Act*, *A space for us all* makes an explicit distinction between CBC/Radio-Canada's core reason of being (its mission) and the direction the Corporation is heading or its aspirational goal (its vision).

The Mission statement stands alone, but is augmented by the clear mandate as expressed in Section 3.m of the Canadian Broadcasting Act, that *"the programming of the Corporation should:*

(i) be predominantly and distinctively Canadian,

(ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,

(iii) actively contribute to the flow and exchange of cultural expression,

(iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,

(v) strive to be of equivalent quality in English and in French,

(vi) contribute to shared national consciousness and identity,

(vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and

(viii) reflect the multicultural and multiracial nature of Canada."

Mission

CBC/Radio-Canada's mission is meant to stand the test of time, regardless of how the business environment may change, and it reflects the role of the public broadcaster as defined by the *Broadcasting Act*:

CBC/Radio-Canada expresses Canadian culture and enriches the life of all Canadians through a wide range of content that informs, enlightens and entertains.

Vision

The vision gives focus to the strategy, and will inform all strategic decisions and activity:

In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.

The "public space" is a forum for national conversation; a meaningful place for Canadians to engage personally, with each other and their culture. The "public space" evolves with the country as it grows. For CBC/Radio-Canada, being that public space is heavily dependent on effectively driving intense engagement with and between Canadians.

Our Strategic Objectives

The objectives are what CBC/Radio-Canada aims to achieve in the next five years through *A space for us all* – to deliver on the mission, achieve the vision, and position itself for a future far beyond 2020. The following four objectives will be supported by metrics and annual targets:

- Through distinctive content, increase and deepen engagement with individual Canadians; inspire them to participate in the public space.
- Change the infrastructure to allow increased simplicity, flexibility, scalability and collaboration.
- Build a culture of collaboration, accountability, boldness, action and agility, with a workforce that reflects the country.
- Achieve sustainable financial health, including the ability to invest in the future.

For more detailed information on how the strategic objectives of *A space for us all* will be achieved, please consult *cbc.radio-canada.ca/cbcfuture*.

Measuring our Success

CBC/Radio-Canada has set two goals that symbolize the ambition of *A space for us all*:

- By 2020, the public broadcaster will **double its digital reach**[1]. **18 million Canadians, one out of two**, will use CBC/Radio-Canada's digital services each month.
- By 2020, **three out of four Canadians** will answer that CBC/Radio-Canada is very important to them personally[2].

[1] In 2013–14, all of CBC/Radio-Canada's services together reach 87% of Canadians monthly. However, the number of unique visitors to its digital offering in the same year was 8.7 million, 7.1 million for CBC and 2.0 million for Radio-Canada.

[2] In a national survey with a representative sample, 75% of respondents will reply 8, 9 or 10 on a 10-point scale to the question, "Is CBC or Radio-Canada important to you personally?" In 2013–14, the total positive score (6 to 10 on a 10-point scale) was 76%, however 57% replied 8, 9 or 10.

7 People and Culture: Aligning Our People and Culture Strategy with Our Business Strategy

People remain a priority of the Corporation. And, as we build on the successes of *Strategy 2015*, and following the unveiling of our new strategy *A space for us all*, it is the talent, passion and commitment of our people that continue to drive our success. People and Culture forges the path to ensure that CBC/Radio-Canada is a rewarding, progressive and diverse workplace, enabling a high performance culture of dedicated, innovative and highly skilled professionals.

At the beginning of fiscal 2013–14, we launched our three-year People and Culture strategy that aligns with the Corporation's *Strategy 2015* goals, integrating all aspects of our Human Resources (HR) function, and focusing on a targeted set of initiatives to support the key business priorities. This strategy has been further evolved to align with the objectives defined in *A space for us all*, as we look towards 2020.

Our Three-Year Strategy

The following people priorities are being implemented, reflecting the Corporation's core business drivers:

Enable

- Enable the transformation of the business.
- Build and sustain a high-performance workforce where people can perform at their best.

Engage

- Fuel a healthy, winning culture that drives and recognizes performance.

Enhance

- Continue to evolve processes, structures and approaches to improve workforce flexibility.

2013–14 saw the delivery of the following key objectives:

- Implemented change management plans to accompany the organization's key business initiatives and aligned our priorities with the business needs.
- Developed the Corporation's Talent Management Strategy.
- Improved governance of our national Learning and Development Fund.
- Launched the National Recruitment Centre and implemented a three-year Recruitment and Sourcing Strategy.
- Introduced a three-year Wellness Strategy with a focus on individual health and workplace climate.
- Negotiated a new three-year collective agreement with the Association of Professionals and Supervisors (APS).
- Negotiated a new five-year collective agreement with the Canadian Media Guild (CMG).
- Supported the legal process in the Corporation's request to review the structures of our four French File collective agreements.
- Launched a workforce planning process to strengthen and leverage our reporting capability.
- Implemented a dashboard of people metrics.

In 2014–15, our efforts will focus on the following:

- Support employees and managers during a period of significant change as we implement *A space for us all*, through change management tools, organizational design, workforce planning and process improvements.
- Implement the Talent Management Strategy that will include employee development, performance management, key talent retention and succession planning.
- Implement the next phase of our three-year Recruitment and Sourcing Strategy driven by our workforce planning, diversity, and leveraging the image and reputation of CBC/Radio-Canada as an employer.
- Align performance management, learning, change support and leadership development to strengthen employee well-being, engagement and adaptability.
- Continue to work with our unions to promote a constructive relationship and enhanced operational flexibility.
- Simplify processes that improve efficiency and support organizational agility.
- Implement improved business intelligence reporting capability.
- Continue to evolve our total rewards strategy to align with the new business priorities.
- Continue to support the business' various transformation initiatives.

Our Compensation Program

CBC/Radio-Canada faces the challenge of competing for talent within a vibrant competitive private sector, while also operating as a federal Crown corporation.

Our compensation philosophy is to provide a total compensation package that supports our ability to attract, develop, motivate and retain the talent required to enable the Corporation to deliver on its strategic objectives. We position our total compensation offering at the median of a group of external peer companies while balancing our need for internal equity and long-term affordability. Our program includes a competitive base salary, a comprehensive suite of benefits, and a defined benefit pension plan. We also have incentive plans that our senior management (representing less than seven per cent of our workforce) are eligible to participate in. Such plans align all parts of the business around organizational objectives and drive desired behaviours and superior business performance. Payout opportunities are based on the achievement of Corporate, Component, and Individual performance, supported by metrics and thresholds.

To ensure that our compensation programs remain competitive, we regularly benchmark both executive and non-executive positions with the market using a third party consultant. This enables us to compare what we offer to what is offered by a group of peer companies from the Canadian entertainment, publishing, and telecommunications industry, as well as a selection of Crown corporations and federally-regulated transportation companies, such as Bell Canada, Rogers Communications Inc., Shaw Communications Inc., Canada Post, Air Canada, among others. We have an established governance structure in place, through the Human Resources and Governance Committee of our Board of Directors, to approve policies and adjustments to compensation strategies.

Our Pension Plan

CBC/Radio-Canada's defined benefit pension plan continues to be among the best funded plans in the country. It follows a liability-driven investment strategy that results in a lower risk Plan for CBC/Radio-Canada as compared to peers. CBC Pension Plan's lower risk investment strategy provides a more stable funding ratio and reduces the likelihood of CBC/Radio-Canada having to make additional contributions. This provides more stability to CBC/Radio-Canada and helps make the Plan more sustainable over the longer term. The Plan's liability-driven investment strategy, of which the CBC Pension Plan was one of the first Canadian adopters, has worked very successfully for the Plan. On December 31, 2013, the Plan was fully funded on a going-concern basis and 92 per cent funded on a solvency basis. For the past three years, as allowed under the legislation governing our Plan, CBC/Radio-Canada had elected not to make any additional contribution to the Pension Plan. On December 31, 2013, the Plan absorbed the impact of changes in the mortality rate assumptions to reflect the fact that our members are living longer, as well as an unexpected major change by the regulator in the determination of the solvency discount rate, which caused the value of the solvency liabilities to increase.

However, we recognize the need to manage the costs associated with the Plan. The federal government recently announced its pension reform that will phase in a 50:50 cost-sharing ratio for employee and employer pension contributions by 2017, and increased retirement thresholds for new hires effective January 1, 2013. They also signaled their intention to work with Crown corporations to ensure that their employee pension plans are financially responsible and broadly consistent with those available to federal employees.

Two years ago, we began increasing the employee share of pension contribution to its current level of 40 per cent. Subsequent increases are planned to bring the employee share to 50 per cent in 2017. We will continue to work to manage costs and reduce risks so that the Plan remains financially viable and sustainable well into the future.

Our Learning Commitment

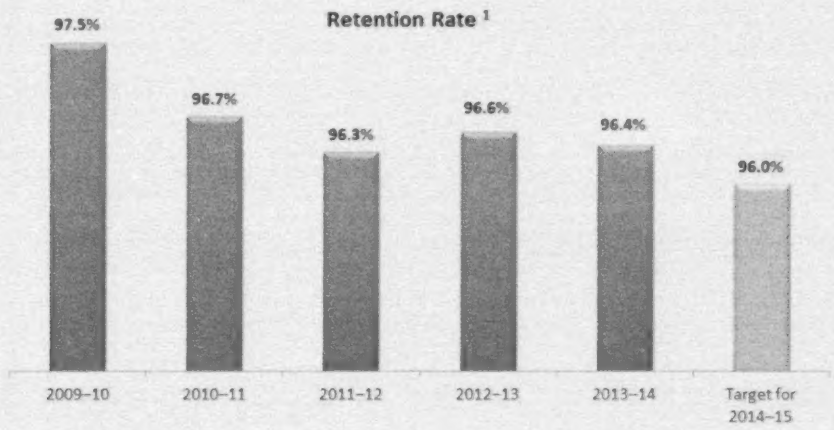
CBC/Radio-Canada recognizes ongoing learning as a key success factor for the future. Specific accomplishments over the past year included targeted learning opportunities to support strategy around new technology and storytelling methods. An emphasis on access to learning saw employees use CBC/Radio-Canada learning sites over 65,000 times. Looking ahead, the re-alignment of all learning services across CBC/Radio-Canada, a plan for change support, a revised leadership development path, organizational design support plus additional learning around new technology are in place to enable the realization of CBC/Radio-Canada's new strategy.

Measuring Our Success

As part of our three-year strategy, we developed a process to reinforce our commitment to accountability and execution of our key objectives. To this end, and as recommended by the Office of the Auditor General, we have added two new people management measures to our corporate reporting framework. We will be reporting Retention Rate and Training Dollars per Full-Time Equivalent (FTE) in both our Corporate Plan and our Annual Report (see Q4 results that follow).

The targets set for this year have taken into consideration the impact on the organization from the upcoming changes outlined in the strategy *A space for us all*, the business priorities and the financial pressures.

In addition, we are monitoring the turnover of new hires, absenteeism, overtime costs and employment equity internally, on a quarterly basis.



[1] (Permanent FTEs – Departures) / Permanent FTEs (does not include retirements and Workforce Adjustments (WFA) cuts).

[2] (Total spend training funds + operational training costs) / FTEs.

Our Labour Environment

Our workforce is comprised of approximately 87 per cent unionized employees who are represented by the six bargaining units identified below. We also work with an additional seven talent unions[1] which represent independent contractors and artists within the media and entertainment industry.

The broadcasting landscape is no longer what it was. Technological advances – particularly in our content production and delivery – fiercer competition and growing budget constraints force us to rethink the way we do business and highlight the need to streamline our union structure to make us more agile in a rapidly-changing environment.

CBC/Radio-Canada filed an application with the Canada Industrial Relations Board (CIRB) on May 31, 2012 to review our bargaining structure for employees (currently covered by SCRC, STARF, SCFP and AR) working in the province of Quebec and Moncton, New Brunswick (French File). In the first phase of hearings, which began in November 2012 and concluded in April 2014 (a total of 36 hearing dates), the CIRB will decide whether the current structure of the four bargaining units remains appropriate for collective bargaining. A decision is expected shortly. Should CBC/Radio-Canada's request be granted, the second phase of determining the future structure will begin. This application is part of a natural evolution in labour relations and the broadcasting industry. The Corporation's English-language network, CBC, applied for and obtained permission to review its structure in 2003 which resulted in consolidating under one bargaining unit.

CBC/Radio-Canada is committed to maintaining productive relations with our bargaining units that provide an environment fostering evolving priorities and stimulating development and career opportunities.

*Note: *Number of members shown below at March 23, 2014.*

National Union

APS

Association of Professionals and Supervisors

Represents supervisory and professional employees, and those who perform similar or comparable functions
July 1, 2013 – June 30, 2016
** 800 members*

[1] The seven talent unions include ACTRA (Alliance of Canadian Cinema, Television and Radio Artists (Performers) Television Radio Agreement), CFM (Canadian Federation of Musicians), IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada (Stagehands)), WGC (Writers Guild of Canada, Television and Radio Agreement), SPACQ (Société professionnelle des auteurs et des compositeurs du Québec), UDA (Union des artistes), and SARTeC (Société des auteurs de radio, de la télévision et du cinéma).

CBC - English File

CMG
Canadian Media Guild
Represents all administrative, journalistic, production and technical employees outside the province of Québec and the city of Moncton, N.B.
April 1, 2014 – March 31, 2019
** 4,559 members*

Radio-Canada – French File

AR
Association des réalisateurs
Represents all producers in the province of Québec and the city of Moncton, N.B.
December 16, 2013 – December 15, 2014
** 315 members*

SCFP
Syndicat canadien de la fonction publique
Represents all administrative staff and administrative support, excluding supervisory staff, in the province of Québec and the city of Moncton, N.B.
September 26, 2010 – September 20, 2015
** 563 members*
The two parties negotiated the monetary clauses only. Tentative agreement to September 20, 2015 recently reached.

SCRC
Syndicat des communications de Radio-Canada
Represents all journalistic employees and functions in the province of Québec and the city of Moncton, N.B.
October 1, 2012 – February 28, 2015
** 1,452 members*

STARF
Syndicat des technicien(ne)s et des artisan(e)s du réseau français de Radio-Canada
Represents all technical employees in the province of Québec and the city of Moncton, N.B.
April 1, 2013 – March 31, 2014
** 1,064 members*
Negotiations in progress.

8 Measuring Our Performance

1.1 Strategic Indicators

Measuring our Success Against *Strategy 2015: Everyone, Every way*

A central feature of *Strategy 2015* is the establishment of metrics to track and assess our performance. We have developed a report card that allows us to monitor how well our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, and the degree to which our programming adheres to the guiding principles of our plan. This information is obtained from surveys conducted among representative samples of Canadians.

This year, the results from two new questions that were added to the perception survey have been included in the report card. The new questions ask Anglophones and Francophones to what extent the information programming aired by the CBC/Radio-Canada's radio, television and online services "reflects a diversity of opinions" and "covers major news events in a fair and balanced way". In a world of instant news and opinions from an almost infinite number of sources, covering news in a fair and balanced way is very important to the Corporation.

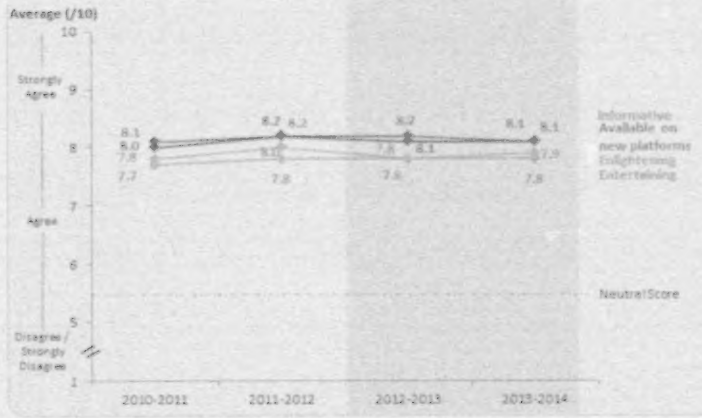
On the following pages is the report card for the 2013–14 fiscal year – year three of our strategy. As we now have more than three years of data for most indicators, graphics are used to show trends over time[1]. However, management's comments focus on significant variances between the two most recent results (i.e., scores recorded in 2013–14 compared to the ones from 2012–13). For comparison purposes, note that differences of 0.2 and above between 2013–14 and 2012–13 results are statistically significant.

[1] A trend is a consistent movement of data results over time.

Report on French Services

How does French Services fulfill its mandate under the *Act*?

Radio-Canada's French-language Radio and Television Programming is...



Management's Comments

The results of the 2013–14 tracking surveys confirm that Francophones continue to believe that CBC/Radio-Canada's French Services is fulfilling its mandate under the *1991 Broadcasting Act*.

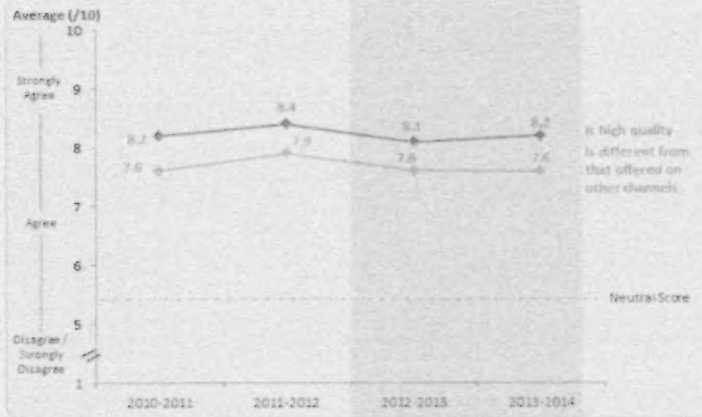
French Services received high scores for each aspect of its mandate that was measured, ranging from 7.8 (entertaining) to 8.1 (informative and available on new platforms).

Metric Definition *Average score refers to the average of the scores given by all respondents on a 10-point scale.*

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.
Source: TNS Canadian Facts (1,200 Francophones per survey for a total of 2,400 Francophones per year). Telephonic surveys are conducted in November and March of each year.

How does French Services' programming fare against the guiding principles of *Strategy 2015*?

Radio-Canada's Programming[1] ...
Pillar 1: Original, Innovative, Quality Canadian Content



Management's Comments

Francophones continue to respond positively to initiatives French Services has announced or introduced since the launch of the *Strategy 2015*. Both indicators measuring the "original, innovative and quality Canadian content" pillar were stable compared to 2012–13. And, as in the past, French Services' programming and content received its highest score for being of "high quality" (8.2).

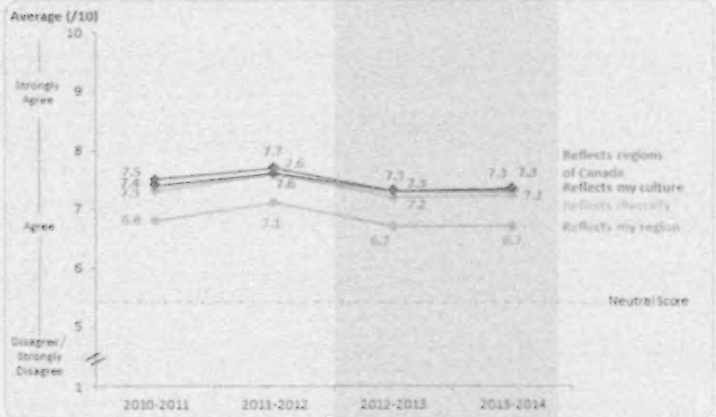
However, excluding the peak in 2011–12, results remained fairly stable. Following the launch of *Strategy 2015*, Francophones' perception that French Services' programming is of "high quality" and "different from that offered on other channels" has increased. Budget cuts as a result of Federal Budget 2012, the gradual elimination of the LPIF fund and the shortfall in advertising revenue compared to plan have all impacted our ability to continue the roll-out of *Strategy 2015* as we had originally planned.

Metric Definition: *Weighted averages of the perception scores obtained by each individual service on a 10-point scale.*

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.
1. Programming and content offered on any of our services, i.e. ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.
Source: TNS Canadian Facts (1,200 Francophones per survey for a total of 2,400 Francophones per year). Surveys are conducted in November and March of each year.

Radio-Canada's Programming[1] ...

Pillar 2: Reflects/Draws Canadians Together



Management's Comments

All four metrics measuring Francophones' perception that CBC/Radio-Canada's French-language programming "reflects and draws Canadians together" maintained the results recorded last year.

The metrics "reflects regions of Canada" and "reflects my culture" continue to receive the highest scores (7.3).

Furthermore, besides the peak recorded in the 2011–12 results, the long term trend shows overall stability since the launch of *Strategy 2015*. It is important to note that these results were achieved despite fewer financial resources – as a result of Federal Budget 2012, the gradual elimination of the LPIF fund and the shortfall in advertising revenue compared to plan – that have impacted our ability to continue the roll-out of *Strategy 2015* as we had originally planned.

Metric Definition: Weighted averages of the perception scores obtained by each individual service on a 10-point scale.

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.

1. Programming and content offered on any of our services, i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.

Source: TNS Canadian Facts (1,200 Francophones per survey for a total of 2,400 Francophones per year). Surveys are conducted in November and March of each year.

Does French Service's Information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?

Radio-Canada's Information Programming[1]...

	2012-2013	2013-2014
	Average (/10)	
Reflects a diversity of opinions on a wide range of issues	7.7	7.7
Covers major issues in a fair and balanced way	7.7	7.8

Management's Comments

Surveying the "Diversity of Opinions" and "Fairness and Balance" metrics was introduced in 2012–13.

The information programs produced by French Services maintained the perception scores that were obtained last year.

Metric Definition: *Average score refers to the average of the scores given by all respondents on a 10-point scale.*

1 2 3 4 5 6 7 8 9 10
Strongly Disagree — Disagree — Agree — Strongly Agree

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.

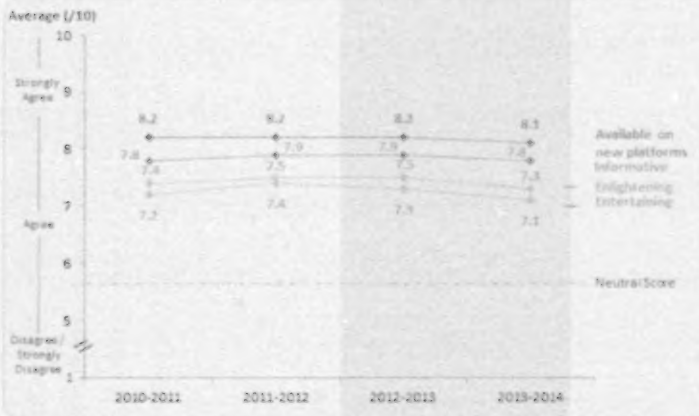
1. Radio, television or online information programming and content.

Source: TNS Canadian Facts (1,200 Francophones per survey for a total of 2,400 Francophones per year). Surveys are conducted in November and March of each year.

Report on English Services

How does English Services fulfill its mandate under the *Act*?

CBC's English-language Radio and Television Programming is...



Management's Comments

Anglophone Canadians continue to believe that CBC/Radio-Canada's English Services is meeting its mandate under the 1991 *Broadcasting Act*.
- English Services received average scores ranging from 7.1 (entertaining) to 8.1 (available on new platforms).

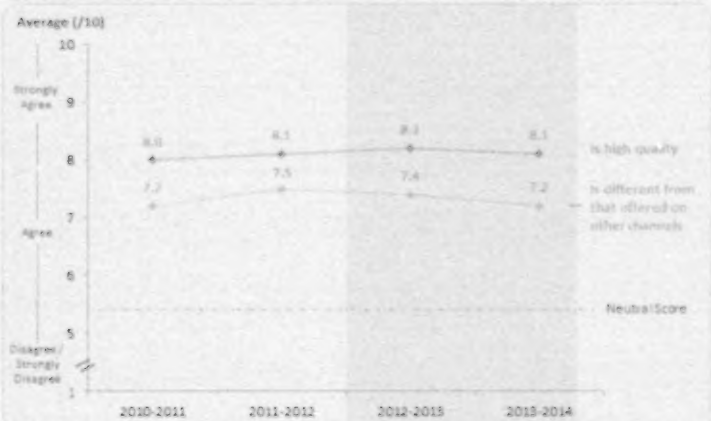
However, there has been a softening of Anglophones' perception that English Services' programming is "enlightening" and "entertaining". Budget cuts as a result of Federal Budget 2012, the gradual elimination of the LPIF fund and the shortfall in advertising revenue compared to plan have all impacted our ability to continue the roll-out of *Strategy 2015* as we had originally planned.

Metric Definition *Average score refers to the average of the scores given by all respondents on a 10-point scale*

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.
Source: TNS Canadian Facts (1,200 Anglophones per survey for a total of 2,400 Anglophones per year). Telephone surveys are conducted in November and March of each year.

How does English Services' programming fare against the guiding principles of *Strategy 2015*?

CBC's Programming[1] ...
Pillar 1: Original, Innovative, Quality Canadian Content



Management's Comments

English Services' programming continues to be perceived by Anglophones as being of "high quality" and "different from that offered on other channels" with average scores of 8.1 and 7.2, out of 10, respectively.

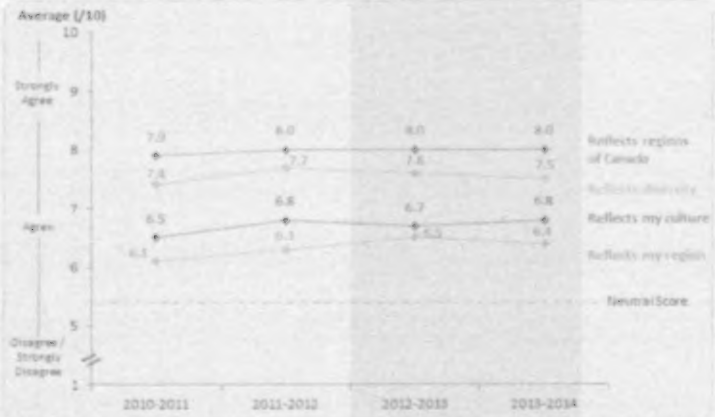
However, in 2013–14, Anglophones' perception that CBC's programming is distinctive has softened. When *Strategy 2015* was introduced, Anglophones' perception that English Services' programming is "different from that offered on other channels" increased. Budget cuts as a result of the Federal Budget 2012, the gradual elimination of the LPIF fund and the shortfall in advertising revenues compared to plan have all impacted our ability to deliver distinctive Canadian content.

Metric Definition: Weighted averages of the perception scores obtained by each individual service on a 10-point scale

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.
1. Programming and content offered on any of our services (i.e., CBC Television, CBC News Network, **bold** (Nov. 2010 and 2011 only), documentary, CBC Radio One, CBC Radio 2, and CBC.ca.
Source: TNS Canadian Facts (1,200 Anglophones per survey for a total of 2,400 Anglophones per year). Telephone surveys are conducted in November and March of each year.

CBC's Programming[1] ...

Pillar 2: Reflects and Draws Canadians Together



Metric Definition: Weighted averages of the perception scores obtained by each individual service on a 10-point scale.

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.

1. Programming and content offered on any of our services, i.e., CBC Television, CBC News Network, bold (Nov. 2010 and 2011 only), documentary, CBC Radio One, CBC Radio 2, and CBC.ca.

Source: TNS Canadian Facts (1,200 Anglophones per survey for a total of 2,400 Anglophones per year). Telephone surveys are conducted in November and March of each year.

Management's Comments

All four metrics measuring Anglophones' perception that CBC's programming and content "reflects and draws Canadians together" maintained the results recorded the previous year. The indicators "reflects regions of Canada" (8.0) and "reflects diversity" (7.5) continue to receive the highest scores.

Although year-over-year changes have been small for pillar 2, the long term trend since the launch of *Strategy 2015* is reflective of steady or improving perception results. These trends were achieved despite fewer financial resources because of Federal Budget 2012, the gradual elimination of the LPIF fund and the shortfall in advertising revenue compared to plan. Since 2010–11, Anglophones believe that English Services is doing a better job "reflecting [their] culture" and "reflecting [their] region". This is a result of initiatives introduced as *Strategy 2015* was rolled-out.

Does English Service's Information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?

CBC's Information Programming[1]...

	2012-2013	2013-2014
	Average (/10)	
Reflects a diversity of opinions on a wide range of issues	7.4	7.3
Covers major issues in a fair and balanced way	7.5	7.3

Management's Comments

This is the second year that we have asked whether CBC's Information Programming "reflects a diversity of opinions on a wide range of issues" and "covers major issues in a fair and balanced way". Overall, results in 2013–14 are positive with average scores of over 7.3 points out of 10 being obtained on both questions.

There was, however, a small but statistically significant decrease observed in Anglophones' perception that CBC's Information Programming "covers major issues in a fair and balanced way ". Next year's results will confirm whether this is the beginning of a trend.

Metric Definition: *Average score refers to the average of the scores given by all respondents on a 10-point scale.*

Differences between 2013–14 and 2012–13 results are statistically significant if equal to or greater than 0.2.

1. Radio, television or online information programming and content.

Source: TNS Canadian Facts (1,200 Anglophones per survey for a total of 2,400 Anglophones per year). Telephone surveys are conducted in November and March of each year.

English and French Services' Performance

In addition to monitoring the overall performance of our Corporation's Strategic Plan, key performance indicators have been developed for CBC/Radio-Canada's English and French Services.

These indicators are essential to measuring our progress towards meeting our strategic business objectives and operational plans. They relate directly to our strategic priorities and are formulated each year as part of the media's business plans. Operational indicators include measures of audience share, website visits, subscriber counts and revenue generation. A number of factors, including specific programming offers, sources of funding, broadcast industry trends, consumer behaviour patterns and past performance results are taken into account in setting targets each year.

French Services

Again this year, Radio-Canada teams delivered bold, innovative and high-quality programming that forged close ties with the Canadian public. Our audiences responded well to new content across all of our platforms, as several indicators show that we met or surpassed targets established for 2013–14.

With a combined share of 21.5 per cent, ICI Radio-Canada Première and ICI Musique's audience share reached an all-time high, surpassing annual targets. This performance can be attributed to exceptionally high results starting in spring 2013 and maintained into the fall. By the same token, at 20.9 per cent, ICI Radio-Canada Première's morning show audience share exceeded its target for the year by more than two share points.

ICI Radio-Canada Télé also exceeded its share target, capturing a 20.6 per cent prime time audience share. The network benefited from a robust program schedule, which featured returning favourites that steadily drew over one million viewers (*Dans l'œil du dragon, L'Auberge du chien noir, Les enfants de la télé, Les Parent, Mémoires vives, Tout le monde en parle, Trauma, Unité 9*, etc.), new shows rapidly and widely embraced by audiences (*Les pêcheurs*), and Signature Events that drew Canadians together, such as special New Year's Eve programming like *Bye Bye 2013*, which obtained an 88 per cent share.

In the specialty channel market, we came in somewhat below target with a 5.0 per cent combined share. This was largely because, with fewer compelling news events than last year, ICI RDI obtained a slightly lower share. On the other hand, ICI ARTV performed well, boosted by the rebroadcast of two landmark drama series that made Radio-Canada history – *Les belles histoires des pays d'en haut* and *Le temps d'une paix*.

As for other news platforms, on one hand, our 2013–14 results for ICI Radio-Canada Télé regional newscasts echoed the success we achieved in 2012–13. Our weekly average minute audience numbers were slightly above target. On the other hand, our average number of unique visitors per month to all Radio-Canada sites and ICI Radio-Canada.ca regional web pages fell short of expectations. Fewer compelling news events than in 2012–13 and a relatively stable number of Francophone Internet users across Canada contributed to these results. Moreover, this underperformance was somewhat amplified by challenges in the measurement of ICI Radio-Canada.ca.

Combined subscriber numbers for ICI ARTV and ICI RDI were consistent with our annual targets. ICI EXPLORA has about 70,000 more subscribers than expected, due in part to a distribution agreement with Bell TV since March 2013, a free preview period during the holiday season, and ICI EXPLORA's role in broadcasting the Sochi 2014 Winter Olympics.

Radio-Canada generated $243.3 million of revenue from recurring sources in 2013–14. Higher revenue from internal services provided to independent producers and specialty channel subscriptions helped us achieve close to the targeted level for the full year and offset the slowdown in the advertising market observed in the third quarter.

French Services is expected to meet the targets that have been set for all of the remaining indicators.

French Services		Past Performance			Actual Performance		Future
		Annual Results 2010-2011	Annual Results 2011-2012	Annual Results 2012-2013	Annual Targets 2013-2014	Annual Results 2013-2014	Annual Targets 2014-2015
Radio Networks							
ICI Radio-Canada Première and ICI Musique	Full-day audience share[1]	19.5%	17.8%	18.5%	19.3%	**21.5%**	20.6%
Website[2,6]							
ICI Radio-Canada.ca, ICI Tou.tv, ICI Musique.ca, RCI.net.ca, ICI ARTV.ca, ICI Explora.tv.ca	Monthly average unique visitors April-March[3]	2.0 million	2.1 million	2.2 million	2.3 million	**2.0 million**	1.8 million
Television							
ICI Radio-Canada Télé	Prime-time audience share Fall/winter season[4]	19.9%	18.7%	20.3%	19.5%	**20.6%**	20.0%
ICI RDI, ICI ARTV and ICI EXPLORA[5-7]	All-day audience share April-March[4]	4.5%	4.6%	5.4%	5.2%	**5.0%**	4.9%
Regional							
ICI Radio-Canada Première	Morning shows audience share Mon-Fri 6-9 a.m.[1]	19.0%	17.0%	17.7%	18.5%	**20.9%**	19.5%
Téléjournal 18h	Average viewer per minute Weekly average Mon-Fri 6-6:30 p.m. Regular season[4]	0.317 million	0.291 million	0.347 million	0.350 million	**0.355 million**	0.350 million
Regional web pages[8]	Monthly average unique visitors April-March[3]	0.447 million	0.476 million	0.646 million	0.710 million	**0.660 million**	0.592 million
Specialty Television Channels[10]							
ICI RDI	Subscribers	11.0 million	11.1 million[9]	11.2 million	11.1 million	**11.1 million**	11.1 million
ICI ARTV	Subscribers	2.1 million	2.1 million	2.0 million	2.0 million	**2.0 million**	2.0 million
ICI EXPLORA	Subscribers	n/a[7]	n/a[7]	0.3 million	0.4 million	**0.5 million**	0.5 million
Revenue[5]							
Conventional, specialty, online		$224.9 million	$228.6 million[8]	$252.8 million	$243.8 million	**$243.3 million**	$246.1 million

[1] Source: Numeris (BBM Canada), diary, persons aged 12 years and older. The 2010–11 and 2011–12 amounts include the fall survey only and 2012–13 and 2013–14 include an average of spring and fall. Areas in which a Radio-Canada Radio owned station is located.

[2] Source: ICI Musique.ca was introduced on June 13, 2011. RCI Vision was introduced on June 20, 2011, and results are included with RCI.net.

[3] Source: comScore, persons aged 2 years and older. There appears to be a discrepancy between our internal data and comScore's. Analysis of our internal data suggests that the comScore data underestimates usage of ICI Radio-Canada.ca during the months of January, February and March 2014, especially during the Sochi 2014 Olympic Winter Games in February. Targets have been adjusted to, among other things, account for measurement issues encountered in 2013–14.

[4] Source: Numeris (BBM Canada), Portable People Meter (PPM), persons aged 2 years and older. Results for Francophones in Quebec (specialty channels: Francophones in Quebec that subscribe to the cable channel).

[5] Revenue for ICI ARTV is reported at 100% although CBC/Radio-Canada owns 85%. Includes revenue from LPIF, a fund reported by the CRTC to support local programming. Amounts reflect the phase out of the fund over three years ending August 31, 2014. Results as at March 31, 2014. Excludes Merchandizing division Revenues.

[6] In 2010–11 and 2011–12, measurement was based on the television season (i.e. September–March), in 2012–13 and 2013–14, measurement is based on the fiscal year (April–March).

[7] ICI EXPLORA was launched at the end of March 2012, and as such, is not included in the 2011–12 results.

[8] In 2011–12, measurement excluded ICI ARTV and merchandising/licensing revenue which are included in targets for 2012–13 and 2013–14.

[9] In 2012–13, we discovered an ICI RDI subscriber calculation error impacting annual targets, results-to-date and annual results. We have revised the figures in the table above to reflect the corrected calculation for all related figures and periods presented.

[10] As at March 31, 2014.

English Services

English Services' performance in 2013–14 met or exceeded many of its targets but underperformed on a few measures, most notably revenue.

For CBC Radio, the fall diary survey yielded excellent results. CBC Radio One and CBC Radio 2 combined achieved a total share of 15.5 per cent which significantly exceeded targets and which also represented an increase over the prior year's performance.

CBC Television's prime time audience share ended the regular season at 8.3 per cent, higher than the target of 8.1 per cent. This share was considerably higher than the prior year's 6.8 per cent, which was adversely affected by the absence of NHL hockey for 15 weeks.

CBC News Network's audience share was above target and higher than in 2012–13. Share performance was strongly influenced by news events such as the Boston marathon bombing, politics in Toronto and other cities, the birth of the British royal baby and weather disasters in Calgary and Southern Ontario.

Our regional performance indicators fell short of annual targets. For local radio, weakness in certain markets (especially Western Canada) and in March caused performance to be down by 6 percentage points compared to both target and prior year. For local television, performance remained essentially flat year-over-year, missing the target mainly because of weaker audiences in the last half-hour of the local supper-time newscasts.

Average monthly unique visitors to regional web landing pages also fell short of expectations; it was 3 per cent lower than last year and 5 per cent below target. In 2014–15, this indicator will be measured by unique visitors to all regional content, rather than just to regional landing pages. We're making this change because audiences are increasingly accessing content directly, for example through search engines or social media referrals.

By contrast, CBC.ca's monthly average unique visitors completed the year significantly above the annual target. This was driven by events of major international and national interest, such as severe weather events, domestic politics and international terrorism, as well as other CBC audio and video content.

Subscriber levels on our specialty television channels ended the year essentially flat year-over-year as anticipated in our targets, with CBC News Network up by 0.1 million to target (and flat year over year) and *documentary* flat to target and prior year.

Revenue for the year exceeded the prior year, driven by the return of *Hockey Night in Canada* to CBC Television in the fall of 2013. However, revenue failed to meet expectations largely because of weakening advertising revenue performance in the latter part of 2013–14 as well as on the underperformance of certain CBC programs within the 25–54 demographic compared to selling estimates. This underperformance has contributed to financial difficulties within English Services.

The remaining metrics are all tracking to meet their targets.

English Services		Past Perfomance			Actual Performance		Future
		Annual Results 2010-2011	Annual Results 2011-2012	Annual Results 2012-2013	Annual Targets 2013-2014	Annual Results 2013-2014	Annual Targets 2014-2015
Radio Networks							
CBC Radio One and CBC Radio 2	All day audience share[1]	14.7%	14.5%	15.3%	14.6%	**15.5%**	15.6%
Website	Monthly average unique visitors, April-March[2]						
CBC.ca		5.8 million[8]	6.2 million[8]	6.3 million	6.5 million	**7.1 million**	7.0 million
Television							
CBC Television	Prime-time audience share Regular season (Mon-Sun)[3,4]	9.3%	8.6%	6.8%	8.1%	**8.3%**	N/A
	Prime-time audience share Regular season, (Mon-Fri & Sun)[3,4]	N/A	N/A	N/A	N/A	**N/A**	6.4%
CBC News Network[9]	All day audience share, April-March[4]	1.4%	1.4%	1.3%	1.4%	**1.6%**	1.6%
Regional							
CBC Radio One morning shows	Average weekly hours tuned (Mon-Fri) Regular season[4]	4.8 million	6.0 million	5.5 million	5.5 million	**5.2 million**	5.2 million
TV supper and late-night news	Average weekly hours tuned (Mon-Fri) Regular season[4]	3.1 million	3.3 million	3.7 million	3.95 million	**3.7 million**	3.7 million
Regional web home pages[5]	Monthly average unique visitors, April-March[2]	0.90 million	0.94 million	0.97 million	0.995 million	**0.94 million**	N/A
Regional content[5]	Monthly average unique visitors, April-March[2]	N/A	N/A	N/A	N/A	**N/A**	3.7 million
Specialty Television Channels							
CBC News Network	Subscribers	11.0 million	11.3 million	11.3 million	11.2 million	**11.3 million**	11.2 million
documentary	Subscribers	2.4 million	2.6 million	2.7 million	2.7 million	**2.7 million**	2.7 million
Revenue[6]							
Conventional, specialty, online		$384 million[7]	$399 million	$362 million	$400 million	**$390 million**	$298 million

[1] Source: Numeris (BBM Canada), fall survey (diary), persons aged 12 years and older. Areas in which a CBC Radio owned station is located.

[2] Source: comScore, persons aged 2 years and older. Note that for an 11 month average excluding February 2014 (the month of the Olympics), the monthly average was 6.9 million unique visitors.

[3] Under a contractual agreement starting in the 2014–15 Regular Season, on Saturday evenings CBC will broadcast programming produced and owned by Rogers Communications Inc., over which CBC has no editorial control. As such, this Saturday evening programming will no longer be considered as part of the new performance target shown in the table above nor of actual results for 2014–15. In 2013–14, and in prior years, when the programming was either produced or acquired by CBC, this time period was included in performance evaluation.

[4] Source: Numeris (BBM Canada), Portable People Meter (PPM), persons aged 2 years and older.
CBC Television, Regular Season 2013–14, weeks 6–33, excluding weeks 25–26.
CBC News Network, Fiscal Year 2013–14, weeks 32+ for broadcast year 2012–13 and weeks 1–31 for broadcast year 2013–14.
CBC Radio One Morning Shows, Regular season 2013–14, weeks 2–30.
CBC Television Supper and Late Night (Mon-Fri), Regular season 2013–14, weeks 1–33, excluding weeks 25–26.

[5] In 2014–15, this metric will be measured by monthly average unique visitors to any/all regional content, rather than being limited to regional home pages (i.e. landing pages). Changing audience behaviour, such as the trend to accessing content directly by searches or through social media referrals, has taken away the meaningfulness of the Landing Page concept as a metric in this context. Therefore, the new measurement will accommodate this audience trend.

[6] Revenue for *documentary* is counted at 100 per cent although CBC/Radio-Canada owns 82 per cent. Includes revenue from LPIF. In 2011–12, measurement excluded merchandising/licensing revenue which is included in 2012–13 and 2013–14.

[7] Includes one-time FIFA World Cup Soccer revenues.

[8] In 2010–11 and 2011–12, measurement was based on a September–March basis; in 2012–13 and 2013–14, measurement is based on the fiscal year.

[9] In 2010–11 and 2011–12, measurement was based on the regular programming season; in 2012–13 and 2013–14, measurement is based on the fiscal year.
N/A: not available or not applicable.

Canadian Content and Results[1]

Providing Canadian programming is key to *Strategy 2015*. Regulatory requirements for Canadian content on television are specified by the CRTC, which sets expectations of service for ICI Radio-Canada Télé and CBC Television. For the broadcast day between 6:00 a.m. and 12:00 a.m., a minimum of 75 per cent Canadian content was expected. For the peak period of 7:00 p.m. to 11:00 p.m., a minimum of 80 per cent Canadian content was expected. Both measures are averaged over the entire broadcast year from September 1 to August 31. As shown in the table below, in the past four broadcast years, ICI Radio-Canada Télé and CBC Television have exceeded the CRTC's Canadian content requirements, both over the whole day and in prime time. Increasing Canadian programming is key to our strategic plan, *Strategy 2015*.

During the 2012–13 broadcast year, CBC Television increased its percentage of Canadian programming by eight percentage points during the broadcast day and by five percentage points during the prime time period. Driving this change was the Canadianization strategy, in particular, the replacement of foreign programming (*Wheel of Fortune* and *Jeopardy*) in exchange for Canadian programming on CBC Television's afternoon and prime time schedules.

Radio-Canada, while not increasing the percentage of Canadian programming it airs, exceeds the expectations set by the CRTC by 9 points over the broadcast day and by 11 points in prime time.

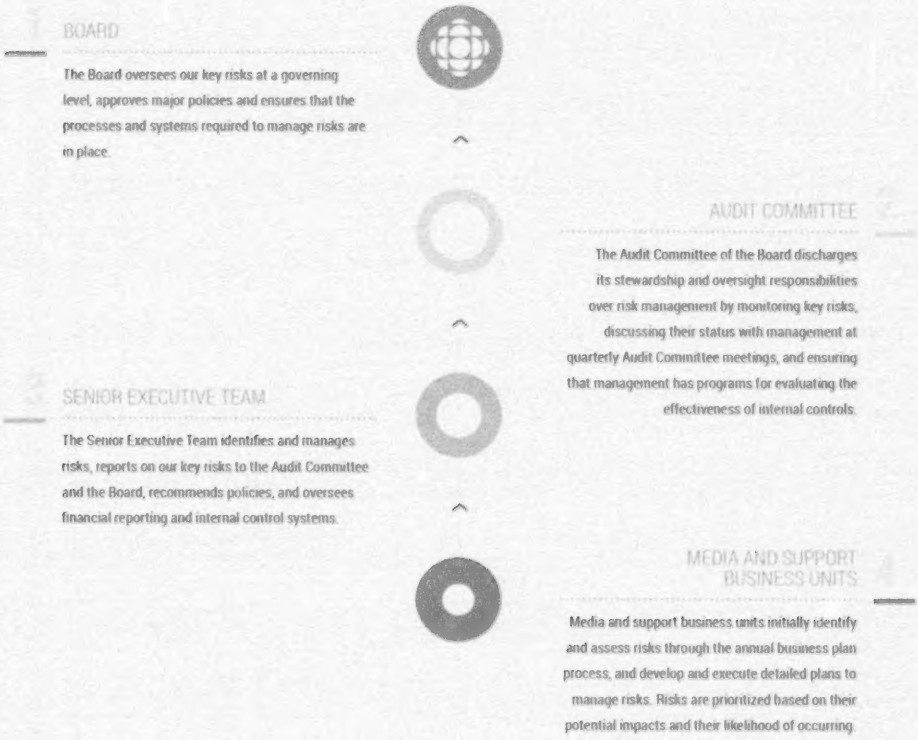
Canadian Content	Yearly Regulatory Expectations	Results Sept. 1, 2009 to Aug 31 2010	Results Sept. 1, 2010 to Aug 31 2011	Results Sept. 1, 2011 to Aug 31 2012	Results Sept. 1, 2012 to Aug 31 2013
ICI Radio-Canada Télé					
Broadcast day (Mon-Sun, 6:00 a.m.—12:00 a.m.)	**75%**	82%	86%	86%	84%
Prime time (Mon-Sun, 7:00—11:00 p.m.)	**80%**	88%	93%	93%	91%
CBC Television					
Broadcast day (Mon-Sun, 6:00 a.m.—12:00 a.m.)	**75%**	85%	84%	85%	93%
Prime time (Mon-Sun, 7:00—11:00 p.m.)	**80%**	82%	82%	81%	86%

[1] Effective September 1st 2013, the CRTC's May 2013 decision renewing our TV license, ICI Radio-Canada Télé and CBC Television have established conditions of license regarding the airing of Canadian content. Previously these had been set out as expectations.

9 Risk Management

As Canada's national public broadcaster, CBC/Radio-Canada occupies an important place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. As a public broadcaster with a statutory mandate to serve all Canadians, CBC/Radio-Canada also faces unique public expectations, financial challenges and risks.

CBC/Radio-Canada's Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among CBC/Radio-Canada's Board of Directors, the Board's Audit Committee, the Senior Executive Team and operational units.


1 BOARD
The Board oversees our key risks at a governing level, approves major policies and ensures that the processes and systems required to manage risks are in place.
2 AUDIT COMMITTEE
The Audit Committee of the Board discharges its stewardship and oversight responsibilities over risk management by monitoring key risks, discussing their status with management at quarterly Audit Committee meetings, and ensuring that management has programs for evaluating the effectiveness of internal controls.
3 SENIOR EXECUTIVE TEAM
The Senior Executive Team identifies and manages risks, reports on our key risks to the Audit Committee and the Board, recommends policies, and oversees financial reporting and internal control systems.
4 MEDIA AND SUPPORT BUSINESS UNITS
Media and support business units initially identify and assess risks through the annual business plan process, and develop and execute detailed plans to manage risks. Risks are prioritized based on their potential impacts and their likelihood of occurring.

Internal Audit plans its audits in accordance with the results of the risk assessment process and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

The following table discusses the key risks faced by CBC/Radio-Canada.

Key Risks	Risk Mitigation	Future Impact
1. Renewed Strategy – *A space for us all*		
Developing a strategic roadmap beyond 2015 is important because the Corporation has limited financial flexibility in an environment characterized by a shift from traditional television to specialty television and other platforms, rapid technology evolution, loss of professional hockey rights and industry consolidation and fragmentation. The new strategic plan, *A space for us all*, was announced June 26, 2014. The ability to execute the strategy will determine achievement of Plan objectives.	Continue to promote and share strategic plan information. Develop and implement change management strategies. Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.	Continue with strategic planning development phase into 2014–15 and begin implementation of initiatives. The new strategic framework will guide the Corporation's evolution towards a more nimble and more open public broadcaster. It will ensure that the services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the movements of our industry.
2. Budget Concerns		
CBC/Radio-Canada is faced with financial challenges ranging from an industry-wide softening of the advertising market, disappointing schedule performance for some individual prime time programs in key demographics on CBC Television, much lower-than-expected ad revenues from ICI Musique and CBC Radio 2, and the NHL's decision to move to a single, exclusive broadcaster. These reductions are in addition to significant pressures already managed by the Corporation since 2008–09 following Federal Budget 2012 and the elimination of the Local Programming Improvement Fund (LPIF). Additional reductions will be required to redirect funds to finance *A space for us all* strategic plan.	To balance the 2014–15 budget, we had to make cuts of $130 million and the equivalent of 657 positions over the next two years. Implement cost reduction measures identified as part of *A space for us all* strategic plan. Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.	The implementation of *A space for us all* strategy will result in the reduction of 1,000 to 1,500 positions by 2020. Underachievement of targets may also require further cost reductions and changes to implementation plans.
3. Hockey Contract Effect		
CBC's broadcast and digital rights contract with the NHL ended in June of 2014. The NHL has opted to award the national broadcast and digital rights to Rogers Communications Inc. under an exclusive 12-year deal (2014–15 to 2026–27) announced on November 26, 2013. On November 25, 2013, the Corporation reached an agreement with Roger Communications Inc. (Rogers) for the continued airing of *Hockey Night in Canada* (*HNIC*) on Saturday night and during the playoffs, beginning with the 2014–15 hockey season. This arrangement between CBC/Radio-Canada and Rogers includes the following elements:	As part of the 2014–15 budget announcements, the extensive organizational changes have been announced for the Sports and Revenue Group areas to address the impact of the loss of the hockey contract. Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.	Planning process underway to assess our options following the expiry of the four-year deal.

• Canadians will continue to benefit from *HNIC* over at least the next four years on a basis that is cost effective to the Corporation. • The Corporation will continue to broadcast *HNIC* but will no longer pay rights costs or retain the associated advertising revenue. • The Corporation will provide the production resources for the hockey games aired on CBC. • The Corporation will continue to own the *Hockey Night in Canada* brand, which will be licensed to Rogers over the term of the agreement.		
4. Union Relations		
A. Section 18.1 Radio-Canada Union Consolidation		
A long-term strategy for more operational flexibility from our Radio-Canada unions in a different working environment.	Continue the process before the Canada Industrial Relations Board (CIRB) to review the existing structure of the French Services bargaining units with a view to consolidating the unions.	Hearings before the CIRB are continuing and a decision on the bargaining structure is expected in 2014.
B. Contract Expiries		
A number of collective agreements must be re-negotiated in 2014–15. The successful negotiation of settlements with unions has important economic, brand and labour relations impacts.	Continue to reinforce business needs in terms of flexibility and ensure that collective bargaining reflects these needs. Involve unions in discussions relating to economic challenges and encourage input into managing risks. Successfully negotiate with remaining unions or negotiate wage re-openers pending decision on bargaining structure of unions in French Services. Ensure communications activities are identified and implemented with union leaders before launching business strategies and initiatives.	Identified strategies will continue into 2014–15.
5. Infrastructure Replacements and Optimization		
Excess space and infrastructure affects operations and budgets.	As part of *A space for us all* strategic plan, we have increased our target reduction to 50 per cent of our current real estate footprint by 2020, a reduction of approximately two million square feet. In the shorter term, we will pursue the sale of some CBC/Radio-Canada-owned buildings, shift from owner to tenant and look to lease our vacant space in the remaining buildings.	We have undertaken the next phase of our redevelopment initiative for our Montreal facility. Requests for Proposals for the Maison de Radio-Canada Project were issued to pre-qualified Proponents in June 2013 and responses are expected in 2014–15.

6. Regulatory Issues		
A. Channel Carriage		
(i) CBC/Radio-Canada is the only major television broadcaster in Canada without corporate distribution affiliations. There is a concern that carriage terms offered by Broadcast Distribution Undertakings (BDUs) will favour their own affiliated specialty services at the expense of our specialty services. Risks to the Corporation include BDUs dropping our existing television services that are not mandatory carriage, delaying the launch of new specialty services or decreased revenue from BDUs for carrying our specialty television services.	Strategic discussions with BDUs focusing on overall value of the programming services offered, and negotiation of long-term agreements with terms that protect or enhance current carriage and revenues.	Continue with identified strategies into 2014–15.
(ii) CRTC Television Policy On October 24, 2013 the CRTC launched a three-phase consultation with Canadians about the future of television in Canada ("Let's Talk TV" - BNI CRTC 2013-563). On November 7, 2013, the government asked the CRTC to produce a report by April 30, 2014 on how Canadians can be provided with the greatest ability to obtain TV services on a pick-and-pay basis while meeting the objectives of the *Broadcasting Act* (PC 2013-1167). On April 25, 2014, the CRTC launched the third phase of its proceeding. The public hearings will be held in September 2014. Areas that will be explored include changes to packaging intended to foster choice and flexibility, changes to the system to promote Canadian content and changes to permit Canadians to make informed choices and provide recourse in the case of disputes with their service providers.	Monitor developments as more information on the CRTC's proposed changes is made available during phase three of its consultation. Assess the potential ramifications to CBC/Radio-Canada revenues and operations and develop a corporate position. Participate in the CRTC's Television Policy proceeding.	CBC/Radio-Canada will participate in the September hearing to respond to the CRTC's proposed regulatory framework for conventional television and for independent broadcasters, and ensure the Corporation's interests are defended and promoted.
(iii) CRTC Targeted Commercial Radio Review (BNC CRTC 2013-572) On October 30, 2013 the CRTC launched a two-phase consultation on a number of specific elements of the current regulatory framework for the commercial radio sector.	Assess the potential ramifications to CBC/Radio-Canada's music radio services ICI Musique and CBC Radio 2 which are subject to a tailored approach to advertising that is distinct from commercial radio broadcasters and develop a strategy for HD Radio technology.	The Corporation expects that any changes the CRTC may make with respect to the advertising regime for commercial radio broadcasters may be taken into consideration by the CRTC when it conducts its 2016 review of the conditions of licence permitting CBC Radio 2 and ICI Musique to broadcast advertising. CBC/Radio-Canada will monitor developments and address as required.

B. *Music Rights, Royalties and Tariffs*		
Renewal of key music rights deals with copyright holders may impact revenues and our service strategy. Copyright collectives are seeking new or increased tariffs on music performing and music reproduction rights. Royalty payment methods must take into account that the business model is shifting toward the multiplatform delivery of works.	Continue proactive relationship building with all music rights holders to renew on mutually acceptable terms. Continue to negotiate with collectives. Appeal to the Supreme Court of Canada on the decision concerning the Société du droit de reproduction des auteurs, compositeurs et éditeurs au Canada (SODRAC).	Continue with identified strategies into 2014–15.
C. Terms of Trade with Independent Television Producers		
Negotiations on terms of trade (rights, contribution, other business terms) for independently-produced programming continue. CBC/Radio-Canada is required by Condition of Licence (COL) to enter into Terms of Trade agreements with the Canadian Media Production Association (CMPA) and Association québecoise de la production médiatique (AQPM) by May 28, 2014. The terms of trade will affect the cost of independent programs.	Continue discussions to narrow issues of disagreement. Assess potential for independent third-party mediation, as needed.	CBC/Radio-Canada and CMPA have agreed to private mediation to commence in fall 2014. Discussions with AQPM are on-going.
D. *Canada Media Fund (CMF)*		
CMF rule changes or changes to how the CMF allocates funds to broadcaster performance envelopes could result in narrower program rights and/or higher contributions required from CBC/Radio-Canada.	Proactively advance our position with the CMF, including participation in the CMF National Focus Group.	CMF released the 2014–15 Performance Envelope results to broadcasters on April 2, 2014. CBC and Radio-Canada's Performance Envelopes decreased by $7.4 million, or $5.2 million and $2.2 million respectively. Continue with identified strategies into 2014–15. Implement contingency plans to offset potential financial impact.

10 FINANCIAL PLAN

Financial Overview

The Financial Overview in Appendix A presents the Corporation's financial picture for 2013–14 through 2018–19.

The balanced position presented for 2013–14 to 2018–19 in Appendix A is achieved by matching expenditures to expected resources.

On April 10, 2014, CBC/Radio-Canada announced its 2014–15 budget which included budget reductions of $130 million and the equivalent of 657 full-time positions from across the Corporation to balance the budget. These reductions will occur over the next two years and are necessary to address various financial pressures such as a revenue shortfall resulting from the May 28, 2013 CRTC decision to allow only limited advertising on CBC Radio 2 and ICI Musique, a salary inflation funding freeze for fiscal years 2014–15 and 2015–16 as announced in the Government's Economic Update on November 12, 2013, the impact of the hockey rights having been granted to Rogers and a weakening television advertising market.

The forecast takes into account government funding reductions of $115 million over three years, as announced in the 2012 Federal budget. These reductions will be fully implemented by 2014–15. The financial plan, approved by CBC/Radio-Canada's Board of Directors, will allow the Corporation to meet two key objectives: (i) maintain our capacity to fulfill our mandate under the *Broadcasting Act*, and (ii) continue to drive *Strategy 2015* by delivering high-quality Canadian programming, enhancing our regional presence and local impact, and investing more in digital platforms.

We have put in place plans to offset the loss of the Local Programming Improvement Fund (LPIF) contributions which will be fully eliminated by September 2014.

On August 1, 2012, the International Olympic Committee announced that we had been awarded the Canadian broadcast rights for the Sochi February 2014 Olympic Winter Games and the Rio August 2016 Olympic Summer Games. This will significantly increase both revenue and expenses in 2013–14 and 2016–17; we expect to at least break even on this premier international sporting property.

We expect our real estate portfolio to generate more revenue as we rent out vacant space in some of our buildings. We also expect to reduce our total cost of occupancy and real estate risk by selling and exiting some buildings that we own to become tenants in more efficient premises.

Material Risks to Financial Plan and Outlook

The plan to meet CBC/Radio-Canada's financial challenges will be closely monitored and adjusted as required as it is being implemented. Its success will heavily depend on the strength of the advertising market and on our overall revenue performance.

The plan assumes that salary inflation funding will resume in 2016–17 following the two-year funding freeze.

Looking Forward

To continue fulfilling our mandate, we need to be a scalable and more focused public media company, one that is more adaptable to changes in audience behaviour, supported by a financially sustainable business model. Creating a viable financial model with a manageable cost structure, an adequate and reliable income stream, and enough free cash flow to invest in the future is a key element of the new strategy *A space for us all* (see Section 6 for more details). It includes a financial plan with four inherent objectives:

- Reduce the fixed cost base to balance the budget for the foreseeable future.
- Set aside five per cent of commercial revenue to help manage financial risk, or to invest in strategic initiatives.
- Reinvest in line with strategic priorities.
- Diversify revenues and share risks through partnerships.

Building on the announcement of the new strategy, a detailed review of the proposed savings will soon be completed. The intent is to finalize a comprehensive, five-year financial plan in the fall of 2014.

Borrowing Plan

The *Broadcasting Act*, Section 46.1, confers on CBC/Radio-Canada the authority to borrow up to $220 million by any means, or such greater amount as may be authorized by Parliament, subject to the approval of the Minister of Finance; Section 54(3.1) of the *Act* requires that the Corporation's borrowing plan be included in its corporate plan for the approval of the Minister of Finance.

When the Corporation sold long-term receivables as reported in the 2010–11 Corporate Plan, it provided a guarantee to the investors in order to obtain the best possible value for the sale. This guarantee was deemed to be borrowing.

In accordance with the terms of the approval from the Minister of Finance for this borrowing authority, CBC/Radio-Canada hereby provides a status report showing the outstanding amounts against the borrowing authority:

Total borrowing authority	$220,000,000
Authority used as at March 31, 2014	
Guarantee on long-term receivables	$(152,960,000)
Remaining authority	$67,040,000

Pursuant to the provisions of sections 46.1(1) and 54(3.1) of the *Broadcasting Act*, the Corporation seeks the approval in principle of the Minister of Finance to borrow money not exceeding the remaining borrowing authority of $67 million in 2014–15. CBC/Radio-Canada will submit specific borrowing proposals as required by the Minister of Finance for approval.

APPENDIX A

Financial Overview[1]

	2013-2014	Projection 2014-2015	Projection 2015-2016	Projection 2016-2017	Projection 2017-2018	Projection 2018-2019
SOURCES OF INCOME:						
Operating appropriation	1,045,168	1,044,294 [8]	928,332 [8]	927,307 [8]	926,203 [8]	925,015 [8]
Government funding reduction as per 2012 Federal Budget	(69,550)	(115,000)				
NET APPROPRIATION	**975,618**	**929,294**	**928,332**	**927,307**	**926,203**	**925,015**
Amortization of deferred capital funding and working capital funding [2]	115,280	114,000	114,000	114,000	114,000	114,000
Advertising [3]	491,189	340,862	289,907	355,042	279,209	283,468
Financing and other income [4]	250,935	242,985	241,608	243,964	247,568	251,225
Local Programming Improvement Fund (LPIF) [5]	25,706	7,253	-	-	-	-
TOTAL SOURCES OF INCOME	**1,858,728**	**1,634,394**	**1,573,847**	**1,640,313**	**1,567,040**	**1,573,698**
EXPENDITURES:						
Television, radio and new media services [6]	1,757,783	1,518,939	1,458,439	1,524,863	1,451,471	1,457,936
Transmission, distribution and collection	74,323	75,438	76,570	77,719	78,885	80,068
Corporate Management	10,741	10,526	10,684	10,844	11,007	11,172
Finance costs	30,870	29,481	28,154	26,887	25,677	24,522
TOTAL EXPENDITURES	**1,873,717**	**1,634,384**	**1,573,847**	**1,640,313**	**1,567,040**	**1,573,698**
NON-OPERATING ITEMS:						
Net gain/(loss) on disposal of property and equipment	(2,964)					
TOTAL NON-OPERATING ITEMS	**(2,964)**	-	-	-	-	-
NET POSITION [7]	**(17,953)**	-	-	-	-	-

(1) Results are based on International Financial Reporting Standard (IFRS) and exclude Other Comprehensive Income items such as non-cash actuarial pension adjustments.

(2) Parliamentary appropriations received for capital expenditures are recognised on the same basis and over the same period as the amortization of the capital assets purchased with the funds. The capital budget is discussed in more detail in Appendix B.

(3) Reflects advertising revenues anticipated from the February 2014 Winter and August 2016 Summer Olympic Games, and from FIFA in 2014-15 and Pan Am Games 2015-16. Includes advertising revenue from Specialty Services (CBC News Network, ICI RDI, *documentary*, ICI ARTV and ICI EXPLORA).

(4) Includes subscriber revenues from Specialty Services, miscellaneous revenues and financing income.

(5) The CRTC announced on July 18, 2012 that LPIF funding will be eliminated by September 1, 2014.

(6) Expenditures (including amortization of property, equipment and intangibles) related to CBC/Radio-Canada's main services and specialty services. Reflects expenditures related to the February 2014 Winter and August 2016 Summer Olympic Games, to FIFA in 2014-15 and Pan Am Games in 2015-16.

(7) Reflects the net results before Other Comprehensive Income or Loss. A balanced net position is assumed for future years.

(8) Reflects the salary inflation funding freeze announced by the Federal government in the November 2013 Economic Update.

(9) Salary inflation funding increases from Treasury Board have not yet been announced for fiscal years 2016-17 to 2018-19. It is assumed that salary inflation funding received will match the actual increase in salary expenditures. The small reductions in Operating Appropriations in future years reflect the annual transfer to the Capital Appropriation for bond payments and do not represent a further reduction in government funding.

APPENDIX B

Capital Budget

CBC/Radio-Canada is highly dependent on technology and technology-based assets in the production and delivery of its various services. In addition, the Corporation operates one of the world's largest broadcast transmission and distribution systems with 549 active transmission sites located throughout Canada (200 of these sites are owned with the remaining 349 sites leased). The Corporation also manages a real estate portfolio of more than 4.3 million square feet, including 24 owned buildings and 67 leased properties in locations across Canada. In total, the Corporation employs $2.2 billion (cost) of assets for its operations.

Accordingly, the majority of capital spending in any given year is used by CBC/Radio-Canada to maintain its assets, address obsolescence, and undertake strategic projects. In all instances, the Corporation's capital spending plan supports the attainment of CBC/Radio-Canada priorities and strategic initiatives as outlined in its Corporate Plan submission.

Capital assets are essential to the production and delivery of CBC/Radio-Canada services. The Corporation is committed to ensuring that these assets are acquired, managed, and eventually disposed of in the most strategic and cost-effective manner possible. Achieving this goal in today's world of rapid technological change, shifting demographics and fast-evolving economic realities, calls for new ideas and approaches. CBC/Radio-Canada challenges itself to continually apply fresh solutions to its capital asset challenges.

Capital Governance and Process

To ensure that capital investments are implemented strategically and within available resource constraints, the Corporation maintains detailed project planning over a five-year planning horizon. Consequently from one year to the next, most changes in the capital plan typically represent refinements to project estimates or shifts in the timing for project implementation between fiscal periods.

The governance framework around capital investments is tightly integrated among three management committees:

- **Capital Executive Team** – Responsible for strategic planning and governance of the overall capital process.
- **Technology Strategy Board** – Responsible for the development of technology-based strategies.
- **Capital Round Table** – Responsible for the development, execution and management of an integrated corporation-wide project plan that responds to priorities within available resources.

CBC/Radio-Canada's capital process is based on industry best practices for project management and project portfolio management. As part of this process, all projects are rationalized and approved based on submission of a business case which includes an in-depth financial analysis and detailed cost estimate. Tools and templates employed in the Capital process follow industry best practices.

The volume and size of individual projects can vary from year-to-year. On average, there are some 300 projects in any single year with nearly half of the projects running over two or more years. For projects where there is return on investment, net present value or payback analysis is required; these calculations are part of the justification and included in the business case. For other types of projects, the justification for investment is based on legal and regulatory requirements or mission critical investments to maintain operations where assets have reached end-of-

life and are at risk of failure. Benefit tracking on Board approved projects has also been introduced in 2013–14 as a standard practice, and will be extended to payback initiatives in 2014–15.

The Corporation continually strives to improve its practices in the management of capital. In this respect, management conducted a joint CBC/Radio-Canada – Deloitte review of project prioritization, the results of this effort are being implemented during the current planning year, 2014–15.

Context for the Capital Investment Plan

Several of the corporation's larger capital challenges are highlighted below:

Methods of Production and Delivery of Service

The broadcast industry assets employed in the production chain for radio and television are increasingly moving towards integrated solutions and computer and software based tools. These tools demand much faster refresh rates than traditional assets of less than a decade ago. At the same time, high definition television production technology will be implemented as related assets come up for normal refresh in the production chain. In addition, new media such as Internet streaming and mobile device viewing and listening will require further investments as this distribution means continues to grow.

Real Estate Strategy

Representing 33 per cent of the existing $2.2 billion asset base, the Corporation has developed a strategy to optimize management of its real estate facilities. The real estate asset base is aging and has a growing maintenance deficit. The key goals of the strategy are to reduce operational costs, transfer real estate risk and maximize proceeds from the portfolio. The target is to reduce the real estate footprint by 800,000 square feet by 2017.

The Corporation will also vacate and sell owned facilities and move into leased facilities where appropriate.

Four large projects are underway: on June 8th, 2012, the Corporation received approval by the Governor in Council for a lease with Allied Properties REIT for approximately 168,000 square feet in the Canadian Broadcasting Centre. On October 18th, 2012, the Corporation received approval by the Governor in Council for a lease with Eurofax Properties Inc. for approximately 45,000 square feet in Halifax, Nova Scotia (project works are underway). In July 2013, the Corporation's Board of Directors approved a relocation of its Moncton, New Brunswick operations (sale of existing building and move to a leased facility). The Corporation will be seeking Governor in Council approval in 2017–18 to sell the existing Moncton building. The fourth is the Maison Radio-Canada project (site redevelopment in Montreal) which is currently in the planning stages.

Capital Plan Overview

With a base capital budget that has remained unchanged since the 1990s, innovative solutions have necessarily been employed to address funding challenges for priority capital investments. The means by which the Corporation has managed its capital pressures is outlined in the *Capital Overview* section on page 57.

The Corporation's capital investment plan is an integral part of the long-term strategy. Planned projects support the strategy by ensuring that our production, distribution and other facilities are able to meet our operational

requirements. Annual updates will be made to accommodate new investments and unforeseen priorities that will be defined as the strategy is implemented.

Capital Investment Plan

Subsection 54(4) of the *Broadcasting Act* requires that CBC/Radio-Canada submit its capital budget to the Minister of Canadian Heritage in its Corporate Plan and that the Capital Budget for the upcoming year be submitted to the Treasury Board for approval. As such, the Corporation's 2014–15 Capital Budget was approved by the Treasury Board on April 10th, 2014 for $127.5 million. The Corporation will limit the 2014–15 Capital Budget to $126.2M due to financial pressures. A summary of the five-year Capital Investment Plan follows.

Sources and Use of Funds ($000s)

AVAILABLE CAPITAL FUNDING	Prior Year	Budget	Forecast			
	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Base Capital Appropriation	92,331	92,331	92,331	92,331	92,331	92,331
Capital Leases	22,416	24,928	26,355	26,706	26,554	17,882
Funding from self-generated revenue	6,867	0	15,564	12,604	11,295	9,107
Funding from sales of fixed assets	320	4,300	0	7,587	8,150	10,334
Carryforward from previous fiscal year	6,478	4,640	0	0	0	0
TOTAL AVAILABLE CAPITAL FUNDING	**128,412**	**126,199**	**134,250**	**139,228**	**138,330**	**129,654**

CAPITAL INVESTMENT PLAN	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Production Infrastructure						
Television Services	36,369	36,670	45,535	53,670	45,881	74,417
Radio Services	4,814	4,664	8,305	7,343	9,728	4,360
English News Network	2,732	2,500	2,500	2,500	3,700	2,500
French News Network	293	2,000	2,000	2,000	2,000	2,000
Enterprise Systems and Technology Infrastructure	21,347	17,632	23,532	8,856	14,233	8,825
Presentation, Collection, Distribution and Delivery	21,524	22,674	22,961	21,747	18,458	8,776
Property Management	34,613	36,324	25,682	39,377	40,295	24,741
Fleet and Minor Capital Purchases	6,720	3,735	3,735	3,735	4,035	4,035
TOTAL CAPITAL INVESTMENT PLAN	**128,412**	**126,199**	**134,250**	**139,228**	**138,330**	**129,654**

Following are highlights of the larger and more strategic initiatives in 2014–15. Some of these initiatives are currently underway following previous years' approvals.

Production Infrastructure (comprised of 84 individual projects)

Project Description	2014–2015 Expenditure
- Media Asset Management system to be a central control point for managing all content assets from production to archiving – including audio, video, still photos, graphics, and text files. It will manage the collections and productions of both French and English Services. The project will be delivered over two years for a total cost of $12 million	$6.4 million
- Continued replacement of obsolete mission-critical television equipment with new digital standards	$24.2 million
- Investments in infrastructure and systems for improving program production workflow and content collaboration across all platforms	$5.1 million
- Investments to improve our local services in radio through service extension and production facility improvements	$10.1 million
TOTAL	**$ 45.8 million**

Enterprise Systems and Technology Infrastructure (comprised of 50 individual projects)

Project Description	2014–2015 Expenditure
- Updates to major systems including, migration of aging phone system to less costly Internet protocol based telephony solution and the Broadcast Management System	$6.4 million
- Critical infrastructure and network upgrades	$5.0 million
- Update various business applications and server storage	$5.0 million
- Enterprise Resource Planning system enhancements	$1.0 million
- Print Optimization capital lease	$0.2 million
TOTAL	**$17.6 million**

Presentation, Collection, Distribution and Delivery (comprised of 85 individual projects)

Project Description	2014–2015 Expenditure
- Portion of the long-term Telesat lease for transponders which was previously reported as operating and as of 2011–12 is required to be reported as capital under International Financial Reporting Standards	$9.6 million
- Projects related to a public alerting system, centralized presentation and distribution, and improving English and French radio coverage	$8.5 million
- As a sub-group, there are approximately 65 projects with an average cost of $116,500 relate to transmitter and tower investments needed to maintain the coverage of our radio services, maintain infrastructure and comply with codes and regulations	$4.6 million
TOTAL	**$22.7 million**

Property Management (comprised of 25 individual projects)

Project Description	2014–2015 Expenditure
- Capital portion of Canadian Broadcasting Centre long-term lease payments	$12.4 million
- Consolidation projects in Moncton and Halifax	$17.2 million
- In addition, there are more than 22 building maintenance projects and changes required to comply with building codes, regulations, health and safety, and replacement of obsolete and failing assets	$6.7 million
TOTAL	**$36.3 million**

Fleet and Minor Capital Purchases (comprised of more than 100 projects on average per year)

Project Description	2014–2015 Expenditure
- Annual refresh of the corporation vehicle fleet	$1.5 million
- Minor Capital purchases to address unforeseen and urgent operational equipment requirements	$2.2 million
TOTAL	**$3.7 million**

Capital Overview

The capital budget in Appendix B presents the Corporation's capital investment plan for 2014–15 through 2018–19.

For 2014–15, the Corporation has a capital appropriation of $104.7 million (base capital appropriation of $92.3 million and $12.4M for the Canadian Broadcasting Centre capital lease) which is required to respond to $2.2 billion (cost) of assets in operations, thus allowing for an asset refresh cycle of approximately 21 years. In reality however, the vast majority of assets in our business environment are replaced on cycles that are less than 15 years. A big part of this represents technology-based assets in our production chain for radio and television. More and more, these tools have migrated into the world of computer-based hardware and software where vendor-declared obsolescence is below eight years.

To manage this reality, the Corporation has employed several tactics:

- Assets in all areas of our operations have been pushed beyond industry standard replacement cycles.
- Contingency planning and regular maintenance ensures that risk to critical operations is mitigated.
- Decommissioned assets are aggressively recycled for parts to ensure that other assets in operations can be maintained. Parts warehouses and inventories are maintained for this purpose.
- With less critical assets in some operations, we accept that there may be failure before we respond.
- Collaboration across all media lines to ensure integrated solutions, common technology and lowest Total Cost of Ownership (TCO).
- Capital or operating leases for investments that have the ability to generate a revenue stream or demonstrate a business case for this means of financing, and sale of surplus assets to generate capital funds.
- In-depth review of the Corporation's Real Estate Portfolio with the intent to reduce cost and extract value.
- The Corporation supplements its capital budget through self-generated revenues.
- At the same time, we continually monitor changes in various safety codes and regulations to which our capital plans must respond. This is a priority without compromise.

APPENDIX C

CBC/Radio-Canada's Mandate Requirements of the 1991 *Broadcasting Act*

Corporate Mandate

The Canadian Broadcasting Corporation/Société Radio-Canada ("CBC/Radio-Canada" or the "Corporation") was established by an *Act* of Parliament in 1936. The Corporation's current legislative mandate, corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the *Act*). Each year, pursuant to section 54 of the *Act*, the Corporation must submit to the Minister of Canadian Heritage a Corporate Plan regarding the businesses and activities, including investments, of the Corporation and its subsidiaries, if any.

The Role of the Corporation in the Canadian Broadcasting System

Section 3 of the *Act* sets out the broadcasting policy for Canada and includes provisions specifically addressing the role of the Corporation in the Canadian broadcasting system. In particular, paragraphs 3(1)(l) and (m) state that:

(l) The Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;

(m) The programming provided by the Corporation should:

i. Be predominantly and distinctively Canadian;

ii. Reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;

iii. Actively contribute to the flow and exchange of cultural expression;

iv. Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;

v. Strive to be of equivalent quality in English and French;

vi. Contribute to shared national consciousness and identity;

vii. Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and,

viii. Reflect the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC/Radio-Canada is also required by section 46(2) of the *Act* to provide an international service that must comply with license conditions and regulations issued by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any directions issued by the Governor in Council.

No other Canadian broadcaster – commercial or public – has the same breadth of mandate or the same scale or scope of operations as CBC/Radio-Canada.

Corporate Powers

Part III of the *Act* sets out the basic powers of the Corporation.

A central feature of the regime established by Part III is the arm's length relationship between CBC/Radio-Canada and the Government with respect to the Corporation's broadcasting activities. Section 35(2) specifically states that Part III "shall be interpreted and applied so as to protect and enhance the freedom of expression and the journalistic, creative and programming independence enjoyed by the Corporation in the pursuit of its objects and in the exercise of its powers." This requirement is repeated in section 46(5) (in the context of the Corporation's objects and powers) and again in section 52(1) (in the context of certain financial reporting provisions).

The head office of the Corporation is required by section 50(1) of the *Act* to be located in the National Capital Region. The powers of the Corporation are spelled out in section 46(1). Section 46(1) reiterates that CBC/Radio-Canada's mandate is to provide the programming contemplated by paragraphs 3(1)(l) and (m) and then identifies a list of powers, such as the ability to originate or purchase programs, enter into associated contracts, and acquire copyright and trademarks that have been granted to the Corporation so that it may achieve this purpose.

The Corporation is an agent of Her Majesty except in respect of the Corporation's international service and the Corporation's employees (section 47(1) of the *Act).* As such, the Corporation may enter into contracts (47(2)) and acquire property (47(3)) in the name of Her Majesty (48(2)(a)), subject to a $4,000,000 limit with regard to the acquisition of real property or the disposition of real or personal property (other than program material or rights), as well as a $15,000,000 (modified by Governor in Council approval) (48(2)(b)) limit for the lease of real property. Transactions involving greater amounts require the approval of the Governor in Council.

Pursuant to section 46.1 of the *Act*, CBC/Radio-Canada may borrow money, with the approval of the Minister of Finance, up to a limit of $220,000,000, or any greater amount authorized by Parliament.

Regulatory Requirements

In the establishment and operation of its broadcasting activities, CBC/Radio-Canada must comply with the licensing and other regulatory requirements established by the CRTC under the *Act*, as well as any requirements under the *Radiocommunication Act* that apply to the Corporation's use of radiocommunication spectrum.

Given the special role of CBC/Radio-Canada in the Canadian broadcasting system, the *Broadcasting Act* limits the CRTC's regulatory authority over the Corporation.

Section 23(1) of the *Act* requires the CRTC to consult with CBC/Radio-Canada, if CBC/Radio-Canada requests this, about proposed license conditions for the Corporation. If the Corporation believes these license conditions will unreasonably impede its ability to fulfill its mandate under the *Act*, it can refer the matter to the Minister of Canadian Heritage (23(2)). The Minister may then issue a directive to the CRTC regarding the disputed license condition.

Pursuant to section 24(2) of the *Act*, none of CBC/Radio-Canada's "core" licenses (i.e., conventional television and radio station licenses) may be revoked or suspended without CBC/Radio-Canada's consent. If the CRTC determines that the Corporation has breached a condition of license, the CRTC must forward a report to the Minister of Canadian Heritage and the Minister must present the report to Parliament (paragraph 25).

The Corporation's other broadcasting activities (e.g., specialty television and pay audio services) are subject to the same regulatory regime as for other industry participants. However, pursuant to section 26(1)(b) of the *Act*, the Governor in Council may direct the CRTC to reserve channels or frequencies for CBC/Radio-Canada.

The CRTC has renewed the licences for CBC/Radio-Canada's conventional television, radio and specialty services. The five-year licence term will run from September 1, 2013 until August 31, 2018. This decision provides revenue opportunities on our music radio services, maintains CBC News Network's and ICI RDI's mandatory distribution orders on digital basic and grants the public broadcaster programming flexibility across all its regulated platforms to evolve to meet Canadians' needs. The decision endorses the Corporation's digital media strategy and supports the ongoing implementation of our 2015 Strategic Plan. It also strongly recognizes the financial challenges facing the Corporation.

Governance

As indicated above, Part III of the *Act* establishes the governance mechanisms for the Corporation. Pursuant to section 36 of the *Act*, CBC/Radio-Canada has a Board of Directors comprising 12 Directors, including the Chairperson and the President and CEO, all of whom are appointed by the Governor in Council. Directors are appointed for a term of up to five years. The Chairperson and the President and CEO may be re-appointed any number of times, but all other Directors are limited to two consecutive terms, unless the third term is as Chair or President and CEO.

The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation and, pursuant to section 40 of the *Act*, is accountable to Parliament through the Minister of Canadian Heritage.

Pursuant to section 45 of the *Act*, the Board is required by statute to establish two standing committees, one in regard to English-language broadcasting and another in regard to French-language broadcasting. Section 148.1 of the *Financial Administration Act* (*FAA*) requires the Board to establish an audit committee of not less than three Directors.

The Corporate Plan, which the Corporation is required to file with the Minister pursuant to section 54 of the *Act*, must include a statement of the Corporation's objectives for the next five years and its strategy for achieving those objectives, the Capital Budget and the operating budget for the next financial year and any borrowing plans for that year. The Capital Budget is subject to the approval of the Treasury Board and borrowing plans are subject to the approval of the Minister of Finance.

Pursuant to section 55 of the *Act*, the Corporation must also submit to the Minister of Canadian Heritage a summary of the Corporate Plan modified to reflect the financial resources proposed to be allocated to CBC/Radio-Canada by Parliament. The Minister must table this summary before Parliament.

Section 131 of the *FAA* requires the Corporation to maintain satisfactory books of accounts, while section 132 requires that the Corporation have internal audits conducted. The Corporation must provide the Minister of Canadian Heritage with such reports of its financial affairs as the Minister may require. The *Act* at section 52(2) states that the Corporation is not required to provide information which could compromise or limit the journalistic, creative or programming independence of the Corporation, to the Treasury Board or the Ministers of Canadian Heritage or Finance.

The Auditor General of Canada is the auditor of the Corporation (section 61 of the *Act*). Pursuant to section 132 of the *FAA*, the Corporation must have an annual auditor's report prepared, addressed to the Minister of Canadian Heritage. Sections 138 to 142 of the *FAA* require the Corporation to have a special examination of its systems and practices at least once every 10 years. The auditor's report of this special examination must be submitted to the Board of Directors. If considered necessary by the auditor, after consultation with the Board, the auditor shall bring any relevant information to the attention of the Minister of Canadian Heritage.

Pursuant to section 71 of the *Act*, the Corporation must, within three months after the end of its financial year, provide an Annual Report to the Minister of Canadian Heritage and to the President of the Treasury Board. The Minister must present the Annual Report to Parliament within 15 sitting days.

Finally, in addition to those governance mechanisms set out in the *Act*, CBC/Radio-Canada established a Corporate Policy on Disclosure of Wrongdoings (the "Whistleblower Policy") in 2004, and amended it in 2007 to comply with the requirements of the *Public Servants Disclosure Protection Act* (proclaimed in force April 15, 2007).

The Corporation also has an extensive Code of Journalistic Standards and Practices. Complaints from the public that are not resolved at the program level are referred to one of the Corporation's two independent Ombudsmen.

With the passage of the *Federal Accountability Act*, CBC/Radio-Canada became subject (on September 1, 2007) to the provisions of the *Access to Information Act* and the *Privacy Act*.

The *Access to Information Act* (*ATIA*) gives the public a right of access to all records held by the Federal Government, Crown Corporations and other Government institutions subject to the *Act*; it also sets out exceptions to that right. In the case of CBC/Radio-Canada, the *ATIA* provides specifically that it does not apply to information that relates to CBC/Radio-Canada's journalistic, creative or programming activities.

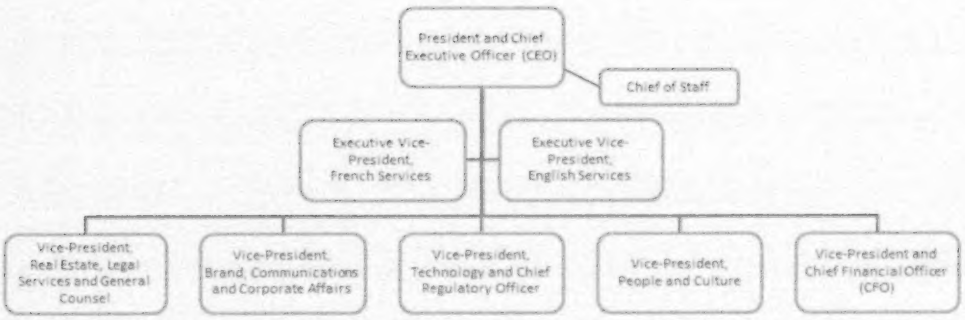
Managerial and Organizational Structure

CBC/Radio-Canada's head office is located in Ottawa, with two main network offices in Toronto and Montréal and 27 regional offices across the country in such major cities as Halifax, Québec City, Calgary, and Vancouver.

The Corporation's organizational structure reflects its broadcasting and related activities, as well as its infrastructure and administrative requirements. There are seven components within the Corporation:

1. French Services (ICI Radio-Canada Télé, Radio de Radio-Canada and New Media)
2. English Services (CBC Television, CBC Radio and New Media)
3. Real Estate, Legal Services and General Counsel
4. Brand, Communications and Corporate Affairs
5. Technology, Research and Analysis, and Regulatory Affairs
6. People and Culture
7. Finance and Administration

Senior Executive Team


President and Chief Executive Officer (CEO)
Chief of Staff
Executive Vice-President, French Services
Executive Vice-President, English Services
Vice-President, Real Estate, Legal Services and General Counsel
Vice-President, Brand, Communications and Corporate Affairs
Vice-President, Technology and Chief Regulatory Officer
Vice-President, People and Culture
Vice-President and Chief Financial Officer (CFO)

These seven components report to the President and CEO through their respective component heads. The first two components (French Services and English Services) are responsible for the programming activities of the Corporation. The remaining components assist the main broadcasting activities through management of support functions. All components continually assess best practices to ensure that the maximum amount of the Corporation's overall funding is available for broadcasting activities.

The Senior Executive Team (SET) of the Corporation includes the President and CEO, his Chief of Staff, and the seven component heads.